Execution copy

ARRANGEMENT AGREEMENT

AMONG

Z-TECH (CANADA) INC.

AND

INFLAZYME PHARMACEUTICALS LTD.

AND

6904211 CANADA INC.

McCarthy Tétrault LLP

January 15, 2008

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of January 15, 2008

AMONG

Z-TECH (CANADA) INC., a corporation incorporated under the laws of the Province of Ontario ("**Z-Tech**")

- and -

INFLAZYME PHARMACEUTICALS LTD., a corporation incorporated under the laws of the Province of British Columbia ("**Inflazyme**")

- and -

6904211 CANADA INC., a corporation incorporated under the laws of Canada ("**Newco**")

WHEREAS Z-Tech and Inflazyme are prepared to enter into a transaction whereby, among other things, (i) the common shareholders of Z-Tech will exchange Z-Tech Common Shares for Newco Shares on a one-for-one basis, the holders of Z-Tech Preferred Shares will exchange Z-Tech Preferred Shares for Newco Shares on an exchange ratio as provided in the Plan of Arrangement, (iii) the holders of Z-Tech Debentures will convert their Z-Tech Debentures into Z-Tech Preferred Shares, which will, in turn, be exchanged for Newco Shares on an exchange ratio as provided for in the Plan of Arrangement, (iv) the holders of options to acquire Z-Tech Common Shares and the holders of warrants to acquire Z-Tech Preferred Shares will exchange their securities for options or warrants of Newco, as applicable, to acquire Newco Shares on an exchange ratio as provided for in the Plan of Arrangement, and (v) the Common Shareholders will exchange their Common Shares for Newco Shares and holders of Inflazyme Options will exchange their options for options to acquire Newco Shares, based on exchange ratios as provided for in the Plan of Arrangement;

AND WHEREAS the board of directors of Inflazyme has determined unanimously: (i) that it is advisable and in the best interest of Inflazyme and its securityholders for Inflazyme to enter into this Agreement, (ii) that the Arrangement is fair to all its securityholders and (iii) to recommend that Inflazyme Securityholders vote in favour of the Arrangement Resolution;

AND WHEREAS the board of directors of Z-Tech has determined unanimously: (i) that it is advisable and in the best interest of Z-Tech and its securityholders for Z-Tech to enter into this Agreement, (ii) that the Arrangement is fair to all its securityholders and (iii) to recommend that Z-Tech Securityholders vote in favour of the Arrangement Resolution;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or the context is inconsistent therewith:

"**Acquisition Proposal**" means a proposal or offer, oral or written, relating to any of the following (other than the transactions contemplated by this Agreement or the Arrangement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving Inflazyme, (b) any acquisition of assets representing 20% or more of the book value (on a consolidated basis) of the assets of Inflazyme (or any lease, long-term supply agreement, exchange, mortgage, pledge or other transaction having a similar economic effect) in a single transaction or a series of related transactions, (c) any acquisition of beneficial ownership of 20% or more of the Common Shares in a single transaction or a series of related transactions, (d) any acquisition by Inflazyme of any assets or capital stock of another person (other than acquisitions of capital stock or assets of any other person that are not, individually or in the aggregate, material to Inflazyme and its subsidiaries, taken as a whole), (e) any transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or materially delay the consummation of this Agreement, or (f) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing;

"**affiliate**" has the meaning attributed to such term under the Legislation;

"**Agreement**" means this Agreement (including the Schedules attached hereto) as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof;

"**Appropriate Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities required to consummate the Arrangement, as set forth in Schedule A hereto but except for (a) those consents, permits and other approvals relating to the operation of the business as currently conducted at any material property of Inflazyme or of any of its subsidiaries and which do not, in the aggregate, materially adversely affect the conduct of the operations of the business as currently conducted at such property and (b) those consents, permits and other approvals relating to the operation of the business as currently conducted at any property of Inflazyme or any of its subsidiaries that is not a material property the failure of which to obtain, taken together with any consents, permits or other approvals referred to in clause (a) that are not obtained, would not reasonably be expected to have a Materially Adverse effect on Inflazyme, except for such consents, permits and other approvals required solely in connection with the Financing;

"**Arrangement**" means the arrangement under the provisions of Division 5 of Part 9 under the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with article 6 of the Plan of Arrangement or Section 8.10, or made at the direction of the Court in the Final Order;

“**Arrangement Expenses**” means all costs and expenses incurred in connection with the transactions contemplated by this Agreement, including all legal, accounting, financial advisory, printing and other administrative or professional fees, costs and expenses of third parties incurred by Inflazyme, including the negotiation and settlement of this Agreement, the preparation and mailing of the Circular, the convening of the Inflazyme Meeting, the solicitation of proxies in respect of the Inflazyme Meeting and structuring and completion of the transactions contemplated by this Agreement;

“**Arrangement Resolution**” means the resolution to be considered and if thought fit, passed by the Inflazyme Securityholders at the Inflazyme Meeting and Z-Tech Securityholders at the Z-Tech Meeting, as the case may be, to approve the Plan of Arrangement to be substantially in the form and content of Schedule B annexed hereto;

“**Arrangement Shares**” means the shares to be issued under the Arrangement;

“**associate**” has the meaning attributed to such term under the Legislation;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulation made thereunder, as now in effect and as they may be promulgated or amended from time to time prior to the Effective Date, and includes where applicable the *Company Act* (British Columbia) prior to the enactment of the *Business Corporations Act* (British Columbia);

“**business day**” means any day on which commercial banks are generally open for business in Toronto and Vancouver, other than a Saturday or a Sunday;

“**CBCA**” means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;

“**Circular**” means the joint notice of the Inflazyme Meeting and the Z-Tech Meeting and accompanying joint information circular (including all schedules, appendices and exhibits thereto) to be sent to the Inflazyme Securityholders in connection with the Inflazyme Meeting and to Z-Tech Securityholders in connection with the Z-Tech Meeting, including any amendments or supplements thereto;

“**commercially reasonable efforts**” with respect to any party hereto means the co-operation of such party and the use by it of its reasonable efforts consistent with reasonable commercial practice without payment or incurrence of unreasonable expense or the requirement to engage in litigation;

“**Common Shareholders**” at any time means the holders at that time of Common Shares;

“**Common Shares**” means common shares without par value in the capital of Inflazyme;

"**Confidentiality Agreement**" means the Confidentiality Agreement dated October 29, 2007 between Z-Tech and Inflazyme;

"**Continuance**" means the continuance of Z-Tech from the OCBA to the BCBCA;

"**Continuance Dissent Rights**" means the rights of dissent in respect of the Continuance set out in Section 181(2) of the OBCA;

"**Contract**" means in respect of a person, any contract, agreement, license, franchise, lease, arrangement, commitment, understanding or other right or obligation to which the person or any of its subsidiaries is a party or by which the person or any of its subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

"**Court**" means the Supreme Court of British Columbia;

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in article 5 of the Plan of Arrangement;

"**Effective Date**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Effective Time**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Encumbrance**" means any mortgage, lien, charge, title retention right, trust, royalty, carried, participation, net profits or other third party interest, security interest, pledge, assignment by way of security, hypothecation or encumbrance of any nature or kind whatsoever and any agreement, option, right of first refusal, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"**Environment**" means the natural environment (including soil, land surface or subsurface strata, surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, and any other environmental medium or natural resource and all sewer systems;

"**Environmental Laws**" means all applicable Laws relating to public health and safety, noise control, pollution or the protection of the Environment or to the generation, production, installation, use, storage, treatment, transportation, Release or threatened Release of Hazardous Substances, including civil responsibility for acts or omissions with respect to the Environment, and all Permits issued pursuant to such Laws;

"**Exchange**" means the NEX board of the TSX Venture Exchange and/or the Toronto Stock Exchange, as the case may be;

"**Final Order"** means the order of the Court approving the Arrangement under section 291 of the BCBCA as such order may be affirmed, amended or modified by the Court at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal;

“**Financing**” means the offering of securities of Z-Tech to investors with minimum gross proceeds to Z-Tech of $10,000,000 (which gross proceeds are not obtained from current shareholders or institutional affiliates of shareholders of Z-Tech) at a price per security and on such other terms as may be acceptable to the board of directors of Z-Tech in their sole discretion;

“**Free Cash**” means, on the earlier of January 31, 2008 and the Effective Date, the amount of cash held by Inflazyme and cash equivalents of current assets that can be converted into cash within 90 days without further action of Z-Tech, Newco or Inflazyme, less (a) all liabilities (including contingent liabilities) and (b) future commitments, including, but not limited to, commitments for severance costs, Arrangement Expenses less $15,000, and an amount equal to 50% of ongoing lease obligations;

“**Governmental Authority**” means any:

(a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign;

(b) subdivision, agent, commission, board or authority of any of the foregoing; or

(c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“**Hazardous Substances**” means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environment Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials;

“**Indebtedness**” means, without duplication but excluding indebtedness between a person and its wholly-owned subsidiaries, (a) indebtedness for borrowed money (excluding any interest thereon), secured or unsecured, (b) obligations under conditional sale or other title retention Contracts relating to purchased property, (c) capitalized lease obligations, (d) obligations under interest rate cap, swap, collar or similar transactions or currency hedging transactions (valued at the termination value thereof) and (e) guarantees of any Indebtedness of any other person;

“**Inflazyme**” means Inflazyme Pharmaceuticals Ltd., a company incorporated under the BCBCA;

“**Inflazyme Data Room Information**” means the documents made available to Z-Tech’s representatives on the www.inflazyme.com/drm web site and in the due diligence data room managed by Inflazyme’s counsel, as in effect two days before the date hereof;

"**Inflazyme Disclosure Document**" means disclosure in writing made by Inflazyme to Z-Tech prior to the execution of this Agreement;

"Inflazyme Financial Statements" means the audited consolidated financial statements of Inflazyme as at, and for the year ended, March 31, 2007 and the unaudited consolidated financial statements of Inflazyme as at, and for the 6 months ended September 30, 2007, including the notes thereto;

"**Inflazyme Material Contract**" has the meaning set forth in Section 3.1(u)(i)(J);

"**Inflazyme Meeting**" means the special meeting of the Inflazyme Securityholders, including any adjournment or postponement thereof, to be called in accordance with the Interim Order for the purpose of considering the Arrangement Resolution;

"**Inflazyme Options**" at any time means options to acquire Common Shares granted pursuant to the Inflazyme Stock Option Plan or otherwise which are, at such time, outstanding and unexercised, whether or not vested (and for greater certainty, will include options issued after the date of this Agreement);

"**Inflazyme Public Disclosure Record**" means all documents filed on the System for Electronic Document Analysis Retrieval (SEDAR) after March 31, 2004 and before the date hereof;

"**Inflazyme Securityholders**" at any time means the Common Shareholders and holders of Inflazyme Options at that time;

"**Inflazyme Stock Option Plan**" means the Stock Option Plan of Inflazyme, as amended;

"**Intellectual Property Rights**" means all patents, trade-marks, trade names, service marks, copyrights, know-how trade secrets, software, technology, and all other intellectual property and proprietary rights related thereto;

"**Interim Order**" means the interim order of the Court in respect of the Arrangement, as contemplated by Section 2.2 providing for, among other things, the calling and holding of the Inflazyme Meeting and the Z-Tech Meeting, as such order may be amended, modified, supplemented or varied by the Court;

"**Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, injunctions, orders, decisions, policies, guidelines, rulings, determinations or awards, decrees or other requirements of any Governmental Authority, statutory body or self-regulatory authority (including of the Exchange), including general principles of common law and the term "**applicable**" with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a Governmental Authority or self regulatory authority having jurisdiction over the person or its business, undertaking, property or securities;

"**Legislation**" at any time means the BCBCA, the applicable securities legislation of each province and territory of Canada, in each case as amended from time to time, the respective rules and regulations made or promulgated under that legislation, and the published forms, policies, policy statements, bulletins, notices, ruling and instruments of the regulatory authorities administering that legislation in effect at such time;

"**material**" or "**materially**", in relation to any party hereto, will be construed, measured or assessed on the basis of whether the matter would materially affect the party and its subsidiaries and, in relation to any liability of any party hereto, means a liability which is material to the financial condition, properties, assets, capital, prospects, rights and liabilities of that party and its subsidiaries and construed, measured or assessed on the basis of whether it is probable that an omission to reflect such liability in the consolidated annual financial statements of such party would influence or change a decision of users of such financial statements;

"**material fact**" has the meaning ascribed thereto in the Legislation;

"**Materially Adverse**" means, with respect to a person, a fact, circumstance, change, effect, event or occurrence that, individually or in the aggregate with all other facts, circumstances, changes, effects, events or occurrences, (i) is, or would reasonably be expected to be, material and adverse to the business, affairs, results of operations, assets, properties, capital, capitalization, condition (financial or otherwise), rights, liabilities, obligations (whether absolute, accrued, conditional or otherwise), prospects or privileges, whether contractual or otherwise, of that person and its subsidiaries, taken as a whole on a consolidated basis, or (ii) would reasonably be expected to materially impair or delay the ability of such person to perform its obligations hereunder, provided that the pendency of any litigation seeking to restrain, enjoin or otherwise prohibit the consummation of the Arrangement or the other transactions contemplated by this Agreement will be disregarded for purposes of this clause (ii), in each case, other than any fact, circumstance, change, effect, event or occurrence resulting from (a) the announcement of the execution of this Agreement or the transactions contemplated hereby or the performance of any obligation hereunder, (b) changes in the U.S. or Canadian economies or securities or currency markets in general, (c) commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism, (d) any change in applicable Laws or regulations or in generally accepted accounting principles or (e) any natural disaster, except in the case of clauses (c), (d) and (e) to the extent any such fact, circumstance, change, effect, event or occurrence has (A) had a materially disproportionate effect on such person as compared to other persons in the same business in U.S. or Canada, as the case may be or (B) has resulted in the closing of the applicable securities markets for 10 consecutive days or more;

"**misrepresentation**" has the meaning defined and as construed in the Legislation;

"**Newco**" means 6904211 Canada Inc., a company incorporated under the CBCA;

"**Newco Shares**" means the common shares to be issued under the Arrangement in accordance with the Plan of Arrangement;

"**OBCA**" means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as promulgated or amended from time to time;

"**Outside Date**" means March 31, 2008 or such later date to which such date may be extended for up to 30 days pursuant to Section 6.3;

"**Pension Plans**" means plans providing pensions, superannuation benefits or retirement savings including pension plans, top up pensions or supplemental pensions, "registered retirement savings plans" (as defined in the Tax Act), "registered pension plans" (as defined in the Tax Act) and "retirement compensation Arrangements" (as defined in the Tax Act);

"**Permit**" means any license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of and from any Governmental Authority;

"**person**" includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, association, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content of Schedule C annexed hereto as amended, varied or supplemented from time to time in accordance with article 6 of the Plan of Arrangement or Section 8.10 or made at the direction of the Court in the Final Order;

"**Plans**" in respect of a person means any employee benefit plan, program, policy, agreement or material transaction sponsored, maintained or contributed to by the person or any of its subsidiaries or to which the person or any of its subsidiaries is a party or is bound, or in which the employees of the person or any of its subsidiaries participate, or under which the person or any of its subsidiaries has, or will have, any liability or contingent liability, including any deferred compensation or retirement plan or arrangement, defined contribution retirement plan or arrangement, defined benefit retirement plan or arrangement, multiemployer plan, medical, dental, sickness, health, disability, death benefit or other employee welfare benefit plan or program, or stock purchase, stock option, severance pay, employment, change-in-control, vacation pay, company awards, salary continuation, sick leave, excess benefit, bonus or other incentive compensation, life insurance, or other employee benefit plan, contract, program, policy or other material transaction, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered and includes Pension Plans;

"**Registrar**" means the Registrar of Companies appointed under section 400 of the BCBCA;

"**Release**" means any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;

"**Returns**" means all reports, forms, elections, designations, schedules, statements, estimates, declarations of estimated tax, information statements and returns relating to, or required to be filed with any Governmental Authority in connection with, any Taxes and including any other filings relating to Taxes;

"**Securities Authorities**" means the applicable securities commissions and other securities regulatory authorities in Canada;

"**Senior Management**" of a person means the President and Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary, and any Vice President of the person;

"**subsidiary**" means, with respect to a specified entity, any:

(a) body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified entity or indirectly by or for the benefit of such specified entity; and

(b) entity which is not a body corporate, of which more than 50% of the voting or equity interests of such entity (including, for a partnership other than a limited partnership, the voting or equity interests in such partnership) are owned, directly or indirectly, by such specified entity or indirectly by or for the benefit of such specified entity and in the case of a partnership (including a limited partnership), of which such specified entity, or a subsidiary of such specified entity, is a general partner;

"**Superior Proposal**" means any bona fide written proposal by a third party, directly or indirectly, to acquire all or substantially all of the assets of Inflazyme (on a consolidated basis) or more than 50% of the Common Shares, whether by way of merger, amalgamation, arrangement, share exchange, take-over bid, recapitalization, sale of assets or otherwise, and that the board of directors of Inflazyme determines in its good faith (after, among other things, consultation, to the extent considered appropriate by the board of directors of Inflazyme, with a financial advisor) (a) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal, (b) is fully financed or is reasonably capable of being fully financed, and (c) would, if consummated in accordance with its terms, result in a transaction more favourable to Common Shareholders from a financial point of view than the terms of the Arrangement and provide for consideration per Common Share that has a value that is greater than the consideration per Common Share provided under the terms of the Arrangement (including any adjustment to such terms proposed by Z-Tech as contemplated by Section 5.2);

"**Surviving Corporation**" means any corporation or other entity continuing following the Arrangement;

"**Tax Act**" means the *Income Tax Act* (Canada), and the regulations made thereunder, as promulgated or amended from time to time;

"**Taxes**" means all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges, or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty, or selected items of income, earnings or profits and specifically includes federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, custom duties, value added taxes, ad valorem taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker's compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imports, assessment or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof;

"**Technology**" means all hardware, software and firmware, processed data, technology infrastructure and other computer systems;

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**Voting Agreement**" means a form of voting agreement (i) between Inflazyme and Z-Tech Shareholders holding in excess of 10% of the Z-Tech Common Shares and Z-Tech Preferred Shares; and (ii) between Z-Tech and Inflazyme Shareholders holding in excess of 10% of the Common Shares concerning the voting of their shares in Inflazyme or Z-Tech, as the case may be, to effect the Arrangement;

"**Z-Tech**" means Z-Tech (Canada) Inc., a corporation incorporated under the OBCA;

"**Z-Tech Class A Shares**" means class A preference shares in the capital of Z-Tech;

"**Z-Tech Class B Shares**" means class B preference shares in the capital of Z-Tech;

"**Z-Tech Common Shares**" means the common shares in the capital of Z-Tech;

"**Z-Tech Data Room Information**" means the documents made available to Inflazyme's representatives on the ftp://ftp.z-techinc.ca/ web site as in effect two days before the date hereof;

"**Z-Tech Debentures**" means the following debentures of Z-Tech:

(a) convertible debenture dated January 31, 2007, in the aggregate principal amount of $3,101,448, registered in the name of The VenGrowth II Investment Fund Inc.;

(b) convertible debenture dated January 31, 2007, in the aggregate principal amount of $2,898,552, registered in the name of The VenGrowth Advanced Life Sciences Fund Inc.; and

(c) such other debentures or other evidences of indebtedness as may be issued by Z-Tech prior to the Effective Date;

"**Z-Tech Disclosure Document**" means disclosure in writing made by Z-Tech to Inflazyme prior to the execution of this Agreement;

"**Z-Tech Financial Statements**" means the audited consolidated financial statements of Z-Tech as at, and for the year ended, December 31, 2006;

"Z-Tech Interim Financial Statements" means the unaudited interim management financial statements of Z-Tech as at, and for the 9 months ended September 30, 2007;

"**Z-Tech Material Contract**" has the meaning set forth in Section 3.2(p)(i)(H);

"**Z-Tech Meeting**" means the special meeting of the Z-Tech Securityholders, including any adjournment or postponement thereof, to be called in accordance with the Interim Order for the purpose of considering the Arrangement Resolution;

"**Z-Tech Options**" means the options to acquire common shares in the capital of Z-Tech granted under Z-Tech's stock option plan;

"**Z-Tech Preferred Shares**" means the Z-Tech Class A Shares and the Z-Tech Class B Shares;

"**Z-Tech Securityholders**" at any time means Z-Tech Shareholders and the holders of Z-Tech Debentures, Z-Tech Options and Z-Tech Warrants;

"**Z-Tech Shareholders**" at any time means the holders of Z-Tech Common Shares and Z-Tech Preferred Shares; and

"**Z-Tech Warrants**" means the outstanding warrants of Z-Tech to acquire Z-Tech Preferred Shares.

1.2 **Currency**

Except where otherwise specified, all references to currency herein are to lawful money of Canada and "$" refers to Canadian dollars.

1.3 **Headings**

The division of this Agreement into Articles, sections, paragraphs and subparagraphs and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "**the Agreement**", "**hereof**", "**herein**", "**hereunder**", and similar expressions refer to this Agreement, including the Schedules and not to any particular Article, section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, section, subsection, paragraph, clause, sub-clause or schedule by number or letter or both are to that Article, section, subsection, paragraph, clause, sub-clause or schedule in this Agreement.

1.4 Knowledge and Disclosure

Any reference in this Agreement to the "**knowledge**" or the awareness of a person, will mean to the best of the knowledge, information and belief of the Senior Management of such person, after reasonable inquiry (including of third parties as appropriate including representatives, agents and advisors of such person), in their capacity as officers of such persons and not in their personal capacity or in any other capacity, as of the date of this Agreement.

1.5 Extended Meanings

Unless the context otherwise requires, words importing the singular number only include the plural and vice versa; words importing any gender include all genders. The terms "**including**" or "**includes**" and similar terms of inclusion, unless expressly modified by the words "only" or "solely", mean "including without limiting the generality of the foregoing" and "includes without limiting the generality of the foregoing".

1.6 Date of any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a business day, such action will be required to be taken on the next succeeding day which is a business day.

1.7 Accounting Principles

Whenever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which any such calculation or action is made or taken or required to be made or taken. Unless otherwise stated, or the context otherwise requires, all accounting terms used in this Agreement will have the meanings attributable thereto under generally accepted accounting principles and all determinations of an accounting nature required to be made will be made in a manner consistent with generally accepted accounting principles consistently applied.

1.8 Schedules

The following are the Schedules to this Agreement:

Schedule A – Appropriate Regulatory Approvals
Schedule B – Arrangement Resolution
Schedule C – Form of Plan of Arrangement
Schedule D – Indemnification Provisions

ARTICLE 2
THE ARRANGEMENT

2.1 The Arrangement

(a) Inflazyme and Z-Tech agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

(b) Subject to the terms of this Agreement, as soon as reasonably practicable, but in any event not later than February 8, 2008 or such other date as is agreed to by Z-Tech and Inflazyme, Inflazyme will apply under section 291 of the BCBCA for the Interim Order, in a manner reasonably acceptable to Z-Tech, and thereafter diligently seek the Interim Order.

(c) In accordance with applicable Legislation and the Interim Order, as soon as reasonably practicable, but in no event later than the fifth business day immediately preceding the Outside Date, Inflazyme will convene and hold the Inflazyme Meeting for the purpose of considering the Arrangement Resolution. The Inflazyme Meeting will be held regardless of whether Inflazyme's board of directors determines at any time to withdraw, modify, qualify or change its recommendation to the Common Shareholders in respect of the transactions contemplated hereby.

(d) Subject to the terms of this Agreement and compliance by the directors and officers of Inflazyme with their fiduciary duties, Inflazyme will: (i) use best efforts to solicit from the Inflazyme Securityholders proxies in favour of the approval of the Arrangement Resolution; (ii) through Inflazyme's board of directors, recommend that the Inflazyme Securityholders vote in favour of the Arrangement Resolution and include such recommendation in the Circular; (iii) use commercially reasonable efforts to take all other actions necessary or desirable to secure the requisite approval; (iv) to the extent requested by either Inflazyme or Z-Tech, use the services of dealers, investment bankers or proxy solicitation firms to solicit such proxies (at the expense of the party to this Agreement requesting such proxy solicitation); (v) fully co-operate with Z-Tech including providing such information as it requests and doing such other things as they may request.

(e) Subject to Sections 5.2, 6.2(a) and the Interim Order, Inflazyme will not adjourn, postpone or cancel the Inflazyme Meeting without the prior written consent of Z-Tech, and Inflazyme agrees that its obligations pursuant to Section 2.1(c) and this Section 2.1(e) will not be affected by the commencement, public proposal, public disclosure or communication to Inflazyme or any other person of any Acquisition Proposal, subject to Inflazyme's obligations to provide information to the Securityholders in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Inflazyme Meeting.

(f) Subject to obtaining such approvals as required by the Interim Order, as soon as reasonably practicable, Inflazyme will make and diligently pursue an application to the Court for the Final Order.

(g) Inflazyme will instruct counsel acting for it to bring the applications referred to in Sections 2.1(b) and 2.1(f) in co-operation with counsel to Z-Tech.

(h) Inflazyme will not file any material with the Court in connection with the Arrangement or serve any such material and will not agree to modify or amend materials so filed or served except as contemplated here by or with the prior written consent of Z-Tech, such consent not to be unreasonably withheld or delayed.

(i) Subject to the terms of this Agreement, Z-Tech will cooperate with, assist and consent to Inflazyme seeking the Interim Order and the Final Order.

(j) Subject to obtaining the Final Order and the satisfaction or waiver (subject to applicable Laws) of the other conditions (excluding conditions that by their terms cannot be satisfied until the Effective Date, but subject to the satisfaction or, where permitted, waiver of those conditions as of the Effective Date) set forth in Article 7 (as confirmed by each party hereto to the others in writing) as soon as reasonably practicable thereafter, Inflazyme will use commercially reasonable efforts to take all steps and actions, including, if applicable, making all necessary filings with Governmental Authorities, to give effect to the Arrangement and carry out the terms of the Plan of Arrangement applicable to it prior to the Outside Date.

2.2 **Interim Order**

The application referred to in Section 2.1(b) shall, unless Inflazyme and Z-Tech otherwise agree, include a request that the Interim Order provide, among other things:

(a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Inflazyme Meeting and Z-Tech Meeting, as the case may be, and for the manner in which such notice is to be provided;

(b) that, subject to the approval of the Court, the requisite approval of the Arrangement Resolution will be 66-2/3% of the votes cast on the Arrangement Resolution by Inflazyme Securityholders present in person or by proxy at the Inflazyme Meeting with Common Shareholders and holders of Options voting together (with (i) each Common Shareholder being entitled to one vote for each Common Share held, and (ii) each holder of Options being entitled to one vote for each Common Share subject to the Options held by such holder that such holder would be entitled to acquire if such holder exercised all Options held by such holder, without reference to any vesting provisions or exercise price) provided that as part of such approval the Arrangement Resolution is approved by 66-2/3% of the votes cast on the Arrangement Resolution by holders of Common Shares present in person or by proxy at the Inflazyme Meeting;

(c) that, subject to the approval of the Court,

(i) in respect of the vote on the Arrangement Resolution at the Z-Tech Meeting:

(A) each holder of Z-Tech Common Shares be entitled to vote on the Arrangement Resolution at the Z-Tech Meeting either in person or by proxy, and be entitled to one vote for each Z-Tech Common Share held;

(B) each holder of Z-Tech Class A Shares be entitled to vote on the Arrangement Resolution at the Z-Tech Meeting, either in person or by proxy, and be entitled to one vote for each Z-Tech Common Share into which the Z-Tech Class A Shares held by such holder are convertible;

(C) each holder of Z-Tech Class B Shares be entitled to vote on the Arrangement Resolution at the Z-Tech Meeting, either in person or by proxy, and be entitled to one vote for each Z-Tech Common Share into which the Z-Tech Class B Shares held by such holder are convertible;

(D) each holder of Z-Tech Options be permitted to vote on the Arrangement Resolution at the Z-Tech Meeting either in person or by proxy, and be entitled to one vote for each Z-Tech Common Share which such holder is entitled to receive on a valid exercise of the Z-Tech Options held by such holder;

(A) each holder of Z-Tech A Warrants be permitted to vote on the Arrangement Resolution at the Z-Tech Meeting either in person or by proxy, and be entitled to one vote for each Z-Tech Common Share into which the Z-Tech Class A Shares which such holder is entitled to receive on a valid exercise of the Z-Tech A Warrants held by such holder are convertible; and

(E) each holder of Z-Tech B Warrants be permitted to vote on the Arrangement Resolution at the Z-Tech Meeting either in person or by proxy, and be entitled to one vote for each Z-Tech Common Share into which the Z-Tech Class B Shares which such holder is entitled to receive on a valid exercise of the Z-Tech B Warrants held by such holder are convertible;

(ii) the vote required to pass the Arrangement Resolution shall be:

(A) the affirmative vote of not less than 66-2/3% of the votes cast by the Z-Tech Securityholders in respect of the Arrangement Resolution, voting together;

(B) the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Common Shares and Z-Tech Options and Z-

Tech Debentures in respect of the Arrangement Resolution, voting together;

(C) the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Class A Shares and Z-Tech A Warrants in respect of the Arrangement Resolution, voting together; and

(D) the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Class B Shares and Z-Tech B Warrants in respect of the Arrangement Resolution, voting together, provided that:

(1) as part of the approval referred to in clause (A), the Arrangement Resolution is approved by the affirmative vote of not less than 66-2/3% of the votes cast on the Arrangement Resolution by the holders of the Z-Tech Common Shares, Z-Tech Class A Shares and Z-Tech Class B Shares, voting together;

(2) as part of the approval referred to in clause (B), the Arrangement Resolution is approved by the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Common Shares;

(3) as part of the approval referred to in clause (B), the Arrangement Resolution is approved by the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Debentures, unless the holders of the Z-Tech Debentures have otherwise consented to in writing to the Arrangement Resolution;

(4) as part of the approval referred to in clause (C), the Arrangement Resolution is approved by the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Class A Shares,

(5) as part of the approval referred to in clause (C), the Arrangement Resolution is approved by the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech A Warrants;

(6) as part of the approval referred to in clause (D), the Arrangement Resolution is approved by the affirmative vote of not less than 66-2/3% of the votes cast by the holders of the Z-Tech Class B Shares; and

(7) as part of the approval referred to in clause (D), the Arrangement Resolution is approved by the affirmative vote

of not less than 66-2/3% of the votes cast by the holders of the Z-Tech B Warrants, in each case in person or by proxy, at the Meeting;

(d) for the grant of the Dissent Rights in accordance with the BCBCA;

(e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and

(f) that in all other respects, the terms, restrictions and conditions of the constating documents (including any shareholders agreements) of Inflazyme or Z-Tech, as the case may be, shall apply in respect of the Inflazyme Meeting or the Z-Tech Meeting, as the case may be.

2.3 **Inflazyme Meeting and Z-Tech Meeting**

(a) As soon as reasonably practicable but in any event not later than February 1, 2008, Inflazyme will prepare the Circular. Subject to the issuance of the Interim Order, as promptly as practicable after the completion of the Circular, each of Inflazyme and Z-Tech will cause the Circular to be sent to the Inflazyme Securityholders and the Z-Tech Securityholders as required by the Legislation and the Interim Order and filed with the appropriate Securities Authorities in accordance with the Legislation. The Circular will include the recommendation of the board of directors of each of Inflazyme and Z-Tech that Inflazyme Securityholders and Z-Tech Securityholders, as applicable, vote in favour of the Arrangement Resolution unless such recommendation has been withdrawn, modified or amended in accordance with the terms of this Agreement.

(b) Z-Tech and Inflazyme will cooperate in the preparation, filing and mailing of the Circular. Inflazyme will provide Z-Tech and its representatives with a reasonable opportunity to review and comment on the Circular and any other relevant documentation and will incorporate all reasonable comments made by Z-Tech and its counsel. The Circular will be reasonably satisfactory to Z-Tech before it is filed or distributed to the Inflazyme Securityholders and Z-Tech Securityholders.

(c) Z-Tech will, in a timely and expeditious manner, furnish Inflazyme with all such information regarding Z-Tech and its subsidiaries as may reasonably be required to be included in the Circular pursuant to the Legislation and any other filings required to be made by Inflazyme under the Legislation in connection with the transactions contemplated herein.

(d) Z-Tech, on the one hand, and Inflazyme, on the other hand, will promptly notify the other if at any time before or after the Effective Time it becomes aware that the Circular or any application for an order hereunder contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Circular or such application. In any such event, the parties will cooperate in the preparation of any required supplement or amendment to the Circular or such other document, as the case may be, and if required by applicable Law or the Court, will cause the same to be distributed to the Inflazyme Securityholders or Z-Tech Securityholders or filed with the applicable securities regulatory authorities.

(e) Inflazyme will ensure that the Circular complies with all applicable Laws and, without limiting the generality of the foregoing, that the information in the Circular relating to Inflazyme and its subsidiaries and business and the Arrangement does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made. Without limiting the generality of the foregoing, Inflazyme will ensure that the Circular complies with National Instrument 51-102 "Continuous Disclosure Requirements" and Form 51-102F5 thereunder adopted by the Securities Authorities and provides Inflazyme Securityholders and Z-Tech Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Inflazyme Meeting or the Z-Tech Meeting, as the case may be.

(f) Inflazyme will diligently do all such acts and things as may be necessary to comply, in all material respects, with National Instrument 54-101 in relation to the Inflazyme Meeting and, without limiting the generality of the foregoing, will, in consultation with Z-Tech, use all reasonable efforts to benefit from the accelerated timing contemplated by such national instrument.

(g) Inflazyme will keep Z-Tech informed of any requests or comments made by Securities Authorities or the Exchange in connection with the Circular.

(h) Despite paragraph (e), Inflazyme shall have no liability to the Z-Tech Securityholders in respect of the use of the Circular at the Z-Tech Meeting, and, unless Z-Tech exercises its rights under Section 2.8, Z-Tech shall no liability to the Inflazyme Securityholders in respect of the use of the Circular at the Inflazyme Meeting.

(i) Notwithstanding any other provision of this Agreement, each of Inflazyme and Z-Tech shall be responsible for the disclosure in the Circular provided by them and shall indemnify and hold harmless each other to the fullest extent permitted by Law against any costs and expenses (including reasonable legal fees), judgments, fines, losses, claims and damages and liabilities, and amounts paid in settlement thereof with the consent of the indemnifying party (such consent not to be unreasonably withheld), in connection with any actual or threatened claim, action, suit, proceeding or investigation that is based on, or arises out of, any claim of misrepresentation in the disclosure in the Circular relating to the indemnifying party, its business or assets.

2.4 **Court Proceedings**

Inflazyme will provide legal counsel to Z-Tech with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis any information required to be supplied by Z-Tech for inclusion in such material, prior to the service and filing of that material and will incorporate any reasonable comments of such counsel. In addition, Inflazyme will not object to legal counsel to Z-Tech making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that Inflazyme is advised of the nature of any submissions prior to the hearing. Inflazyme will also provide legal counsel to Z-Tech on a timely basis with copies of any notice of appearance and evidence served on Inflazyme or its legal counsel in respect of the application for the Interim Order and the Final Order or any appeal therefrom.

2.5 **Preparation of Filings**

(a) Z-Tech and Inflazyme will as promptly as practical hereafter cooperate in:

(i) the preparation of any application for the Appropriate Regulatory Approvals; and

(ii) the preparation of any filings and documents and submission requested by any Governmental Authority (including filings, documents and submissions of information requested in respect of the Appropriate Regulatory Approvals) the failure to effect which, individually or in the aggregate, would prevent the consummation of the Arrangement or would be Materially Adverse to Inflazyme.

(b) Z-Tech, on the one hand, and Inflazyme, on the other hand, will promptly notify the other if at any time before the Effective Time it becomes aware that any application for an Appropriate Regulatory Approval or any other order, registration, consent, filing, ruling, exemption, no-action letter or approval, any registration statement, circular or other filing under applicable Laws contains a misrepresentation, or that otherwise requires an amendment or supplement to such application, order, registration, consent, filing, ruling, exemption, no-action letter, approval, registration statement, circular or filing and Z-Tech and Inflazyme will cooperate in the preparation of such amendment or supplement as required.

2.6 **Closing**

(a) From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Laws, including the BCBCA and Newco, Inflazyme and Z-Tech will be bound by the provisions of the Plan of Arrangement as provided therein.

(b) The closing of the transactions contemplated hereby and by the Plan of Arrangement will take place at the offices of Heenan Blaikie LLP in Vancouver, British Columbia at the Effective Time (or such other time as may be agreed by Z-Tech and Inflazyme) on the Effective Date.

2.7 **Registrar and Transfer Agent**

Inflazyme will permit the registrar and transfer agent for the Common Shares to act as depositary in connection with the Arrangement.

2.8 **Solicitation of Proxies**

Inflazyme agrees that Z-Tech may at any time, directly or through a soliciting dealer, actively solicit proxies in favour of the Arrangement Resolution for the Inflazyme Meeting.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of Inflazyme**

Inflazyme represents and warrants to and in favour of Z-Tech and Newco as follows in each case except as set forth in the Inflazyme Disclosure Document (each of which exceptions will specifically identify the relevant section hereof to which it relates) and acknowledges that Z-Tech and Newco are relying upon such representations and warranties in entering into this Agreement:

(a) Organization and Corporate Capacity. Inflazyme has been duly incorporated and continued and is validly existing under the BCBCA and has the requisite corporate power and capacity to own its assets as now owned and to carry on its business as it is now being carried on.

(b) Subsidiaries. Each of the subsidiaries of Inflazyme is validly existing and has the requisite corporate or legal power and authority to own its assets as now owned and to carry on its business as it is now being carried on.

(c) Authority Relative to this Agreement. Inflazyme has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and (subject to obtaining the approval of the Inflazyme Securityholders of the Arrangement Resolution and the Final Order as contemplated in Section 2.1) to consummate the transactions contemplated herein. The execution and delivery of this Agreement and, subject to obtaining the approval of the Inflazyme Securityholders of the Arrangement Resolution and the Final Order as contemplated in Section 2.1 and subject to approval of the Circular by the board of directors of Inflazyme, the consummation by Inflazyme of the transactions contemplated by this Agreement have been duly authorized by the board of directors of Inflazyme and no other corporate proceedings on the part of Inflazyme are necessary to authorize the execution and delivery by it of this Agreement or the Arrangement or the consummation by Inflazyme of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Inflazyme and constitutes a legal, valid and binding obligation of Inflazyme enforceable against Inflazyme in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other Laws relating to or affecting the enforcement of creditors' rights generally and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction.

(d) Board Approval. As of the date hereof, the board of directors of Inflazyme has unanimously approved this Agreement and the Arrangement, and has determined that the Arrangement is fair to the Common Shareholders and is in the best interests of Inflazyme and the Common Shareholders and has resolved unanimously to recommend that Common Shareholders vote in favour of the Arrangement Resolution.

(e) No Violation. Subject to obtaining the authorizations, consents and approvals referred to in Section 3.1(h), the execution and delivery by Inflazyme of this Agreement and performance by Inflazyme of its obligations hereunder and the completion of the transactions contemplated herein do not and will not (nor will they with the giving of notice or the lapse of time or both): (i) result in a material contravention, breach, violation or default under any Law applicable to it or any of its subsidiaries, or any of their properties or assets (subject to compliance with any Laws contemplated by this Agreement); (ii) result in a contravention, conflict with, violation, breach or default under the constating documents of it or any of its subsidiaries; (iii) result in a contravention, breach or default under or termination of, or acceleration or permit the acceleration of the performance required by, any material agreement, contract, covenant, undertaking, commitment, instrument, licence, permit or authorization to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound or to which any of their properties or assets is subject or give to any person any material interest or right, including any right of purchase, termination, cancellation or acceleration under any such agreement, contract, covenant, undertaking, commitment, instrument, licence, permit or authorization; or (iv) result in the cancellation, suspension or material alteration in the terms of any material licence, permit or authority held by it or any of its subsidiaries or in the creation of any Encumbrance upon any of their properties or assets.

(f) Compliance with Laws. Inflazyme and each of its subsidiaries is conducting its business in compliance, in all material respects, with all applicable Laws of each jurisdiction in which its business is carried on, and is not in violation of any such applicable Laws.

(g) Litigation. Except as set forth or specifically reflected in one or more documents filed with the Securities Authorities, or has been disclosed to Z-Tech in the Inflazyme Disclosure Document, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry by any Governmental Authority, or any claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative material matter or proceeding (collectively, "**proceedings**") against or involving it or any of its subsidiaries, in respect of the businesses, properties or assets of it or any of its subsidiaries (whether in progress or, to the knowledge of Inflazyme, threatened), that if adversely determined, is likely to have a Materially Adverse effect on Inflazyme or significantly impede the completion of the transactions contemplated by this Agreement and, to the knowledge of Inflazyme, no event has occurred which might reasonably be expected to give rise to any proceeding. To the knowledge of Inflazyme there is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against Inflazyme or any of its subsidiaries in respect of their businesses, properties or assets that has had or would reasonably be expected to have a Materially Adverse effect on Inflazyme or significantly impede the completion of the transactions contemplated by this Agreement.

(h) Approvals. No authorization, licence, permit, certificate, registration, consent or approval of, or filing with, or notification to, any Governmental Authority is necessary for the consummation by Inflazyme of the transactions contemplated by this Agreement, other than:

(i) the Interim Order and any filings required in order to obtain, and approvals required under, the Interim Order;

(ii) the Final Order, and filings required in order to obtain the Final Order;

(iii) filings with the Registrar under the BCBCA;

(iv) other filings required pursuant to the Legislation;

(v) the Appropriate Regulatory Approvals relating to Inflazyme; and

(vi) any other authorizations, licences, permits, certificates, registrations, consents, approvals and filings and notifications which relate solely to the identity of the parties or which are in the normal course or of a purely administrative nature and which can be completed or obtained without adverse effect on Inflazyme or its business after the Effective Date, or with respect to which the failure to obtain or make same would not have a Materially Adverse effect on Inflazyme or significantly impede the completion of the transactions contemplated by this Agreement.

(i) Acceleration of Benefits. Except as disclosed to Z-Tech in the Inflazyme Disclosure Document, no person will, as a result of Inflazyme entering into and completing the transactions contemplated by this Agreement, become entitled to (i) any retirement, severance, bonus or other similar payment; (ii) the acceleration of the vesting or the time to exercise of any outstanding stock option or employee benefits; (iii) the forgiveness or postponement of payment of any indebtedness owing by such person to Inflazyme or any of its subsidiaries, or (iv) receive any additional payments or compensation under or in respect of any employee benefits (including a cash surrender or similar payment in respect of outstanding stock options).

(j) Capitalization. The authorized capital of Inflazyme consists of an unlimited number of common shares without par value and an unlimited number of Class A Preferred Shares with a par value of $1.00. As at the date of this Agreement there are 131,181,375 Common Shares issued and outstanding as fully paid and non-assessable shares, and no Class A Preferred Shares issued or outstanding. All outstanding shares of Inflazyme have been duly authorized and validly issued and have been issued in compliance in all material respects, with all Legislation. Other than the Inflazyme Options or as set out in the Inflazyme Disclosure Document, there are no securities of Inflazyme or of any of its subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the Common Shareholders on any matter. There are no outstanding contractual or other obligations of Inflazyme to (i) repurchase, redeem or otherwise acquire any of its securities, other than the Inflazyme Options, (ii) make any investment in or, except in the ordinary course of business consistent with past practice, provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person, other than a wholly owned subsidiary or (iii) provide any guarantee with respect to any subsidiary of Inflazyme or any other person.

(k) Subsidiaries. The Inflazyme Disclosure Document includes complete and accurate lists and/or charts of all subsidiaries owned, directly or indirectly, by Inflazyme, each of which is wholly owned except as otherwise noted in such lists. All of the outstanding shares in the capital of or outstanding shares of capital stock or other ownership interests of the subsidiaries of Inflazyme are validly issued, fully paid and non-assessable and except (i) as disclosed or specifically reflected in one or more documents filed with the Securities Authorities, or as disclosed to Z-Tech in the Inflazyme Disclosure Document or (ii) pursuant to the constating documents of any such subsidiary or any shareholder, partnership, limited partnership, joint venture or other similar agreement for or in relation to a subsidiary that is not wholly-owned or (iii) pursuant to existing financing arrangements, all such shares and other ownership interests owned directly or indirectly by Inflazyme are owned free and clear of any Encumbrances and there is no outstanding option, right, entitlement, understanding or commitment (contingent or otherwise) regarding the right to acquire any such share or ownership interest in any such subsidiary and no option, warrant, conversion privilege, or other right, agreement, arrangement or commitment obligating any such subsidiary to issue or sell any share or ownership interest of such subsidiary or security or obligation of any kind convertible into or exchangeable for any shares or ownership interest of any such subsidiary. There are no outstanding contractual or other obligations of any subsidiaries of Inflazyme to (i) repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any outstanding securities of any subsidiaries of Inflazyme, make any investment in or, except in the ordinary course of business consistent with past practice, provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person, other than a wholly owned subsidiary of Inflazyme or (ii) provide any guarantee with respect to any subsidiary of Inflazyme or any other person. Inflazyme and its subsidiaries do not own any interest in any other corporation or partnership, joint venture or other business combination.

(l) Qualification. Inflazyme and each of its subsidiaries is duly qualified to carry on business in each jurisdiction in which the nature or character of the respective properties and assets, owned, leased or operated by it, or the nature of its business or activities, makes such qualification necessary except where the failure to be so qualified will not have a Materially Adverse effect on Inflazyme; no proceeding has been instituted or is pending for the dissolution, winding-up or liquidation of Inflazyme or any of its subsidiaries.

(m) Options or Rights. Except as has been disclosed to Z-Tech in the Inflazyme Disclosure Document, Inflazyme has no outstanding agreement, subscription, warrant, option or commitment (nor has it granted any right or privilege capable of becoming an agreement, subscription, warrant, option or commitment) obligating it to issue or sell any shares or other securities, including any security or obligation of any kind convertible into or exchangeable for any share or other security; there is no outstanding share or stock appreciation right, phantom equity, restricted share unit, deferred share unit or similar right, agreement, arrangement or commitment based on the book value, share price, income or any other attribute of Inflazyme or any of its subsidiaries; there is no outstanding shareholder agreement, proxy, voting trust, right to require registration under any applicable securities laws (including the Legislation) or any other arrangement or commitment to which Inflazyme or any of its subsidiaries is a party or bound, with respect to the voting, disposition or registration of any outstanding securities of Inflazyme or any of its subsidiaries. An aggregate of 3,272,494 common shares are issuable upon exercise of the Inflazyme Options. Common Shares issuable upon the exercise of rights under the Inflazyme Options have been duly authorized and upon issuance, will be validly issued as fully paid and non-assessable.

(n) Financial Statements. The Inflazyme Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with those of previous years except (i) as otherwise stated in the notes to such statements or in the auditor's report thereon and (ii) in the case of the unaudited interim consolidated financial statements, are subject to normal period-end adjustments and may omit notes which are not required by applicable Laws in the unaudited interim consolidated financial statements, and the Inflazyme Financial Statements, together with the related management discussion and analysis, present fairly, in all material respects, the financial position of Inflazyme and its subsidiaries as at the respective dates thereof and the results of operations of Inflazyme and its subsidiaries on a consolidated basis for the periods covered thereby (subject, in the case of any unaudited interim consolidated financial statements, to normal period end adjustments). As at December 31, 2007, Inflazyme had an estimated $2,600,000 of Free Cash.

(o) Absences of Certain Changes or Events. Except as has been publicly disclosed in one or more documents filed under the Legislation and forming part of the Inflazyme Public Disclosure Record or has been disclosed to Z-Tech in the Inflazyme Disclosure Document, and except in connection with this Agreement and the transactions contemplated in this Agreement:

(i) Inflazyme and its subsidiaries have no material liability or material obligation of any nature (whether accrued, absolute, contingent or otherwise), including any agreement, contract or commitment to create, assume or issue any debt or bond, debenture, mortgage, promissory note or other instrument evidencing indebtedness for borrowed money or any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any similar commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, (and Inflazyme has no knowledge of any potential such material liability or material obligation), which individually or in the aggregate has not been reflected in the Inflazyme Financial Statements and the related management discussion and analysis filed under the Legislation, other than liabilities, indebtedness or obligations incurred by Inflazyme and its subsidiaries: (A) in the ordinary course of business or (B) in connection with this Agreement and the transactions contemplated in this Agreement; and

(ii) since March 31, 2007:

(A) Inflazyme has conducted its business only in the ordinary course;

(B) there has not occurred (or been threatened) any change, or any condition or event, which individually or in the aggregate, would or does have or would be reasonably expected to have, a Materially Adverse effect on Inflazyme;

(C) neither Inflazyme nor any of its subsidiaries has taken any action which, if taken after the date of this agreement, would be prohibited by Sections 4.1(b) or 4.1(d).

(p) Reporting Issuer Status and Securities Laws Matters.

(i) Inflazyme is a "reporting issuer" within the meaning of the Legislation (and has been a "reporting issuer" for the twelve months prior to the date of this Agreement) and not on the list of reporting issuers in default under the Legislation in the provinces and territories of Canada, as amended, and no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of Inflazyme and Inflazyme is in compliance in all material respects with the Legislation.

(ii) To the knowledge of Inflazyme, no inquiry or investigation (formal or informal) of any Securities Authorities, is in effect or ongoing or expected to be implemented or undertaken.

(iii) The Inflazyme Data Room Information or the Inflazyme Disclosure Document contains copies of all material correspondence between the Securities Authorities, on the one hand, and Inflazyme and any of its subsidiaries, on the other hand, since January 1, 2007, and with respect to the Exchange, since January 1, 2005.

(iv) The Common Shares are listed on the Exchange and trading in the Common Shares is not currently halted or suspended.

(v) No subsidiary of Inflazyme is subject to the continuous disclosure requirements under any of the Legislation.

(vi) The documents and information comprising the Inflazyme Public Disclosure Record, as at the respective date they were filed, or, as applicable, the time of becoming effective, were in compliance in all material respects with the Legislation and where applicable, the rules and policies of the Exchange, included all documents required to be so filed, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and Inflazyme is up-to-date in all forms, reports, statements and documents, including financial statements and management's discussion and analysis, required to be filed by it under the Legislation and the rules and policies of the Exchange.

(q) Property. Except as disclosed to Z-Tech in the Inflazyme Disclosure Document, Inflazyme and its subsidiaries have good and sufficient title to the real property interests, leases, easements, rights of way, permits or licences permitting the use by Inflazyme and its subsidiaries, necessary to permit the operation of the current businesses, as they are presently conducted.

(r) Employment Agreements and Collective Agreements. Except as disclosed in the Inflazyme Disclosure Document, none of Inflazyme or any of its subsidiaries is a party to or bound or governed by:

(i) any employment, retention or change of control agreement with any officer or employee or any written or oral agreement, arrangement or understanding providing for retention, severance or termination payments to any officer or employee of Inflazyme or any subsidiary of Inflazyme;

(ii) any collective bargaining or union agreement, any actual or, to the knowledge of Inflazyme, threatened application for certification or bargaining rights in respect of Inflazyme or any of its subsidiaries;

(iii) any labour dispute, strike or lock-out relating to or involving any employees of Inflazyme or any of its subsidiaries that would reasonably be expected to have a Materially Adverse effect on Inflazyme; or

(iv) any actual or, to the knowledge of Inflazyme, threatened claim arising out of or in connection with employment by Inflazyme or any of its subsidiaries or the termination thereof, other than such claims as in the aggregate do not have a Materially Adverse effect on Inflazyme.

(s) Financial Advisers or Brokers. Except as disclosed in the Inflazyme Disclosure Document, none of Inflazyme or any of its subsidiaries has incurred any obligation or liability, contingent or otherwise, or agreed to pay or reimburse any broker, finder, financial adviser or investment banker for any brokerage, finder's, advisory or other fee or commission, or for the reimbursement of expenses, in connection with this Agreement or the transactions contemplated herein other than the financial advisor disclosed in the Inflazyme Disclosure Document. Inflazyme has provided to Z-Tech a correct and complete copy of all agreements relating to the arrangements between it and any financial advisor which are in effect at the date thereof and agrees not to amend the terms of any such agreements relating to the payment of fees and expenses without the prior written approval of Z-Tech, which consent may be withheld in the sole discretion of Z-Tech.

(t) Taxes.

(i) Inflazyme and each of its subsidiaries has:

(A) duly and timely filed all material Returns required to be filed by it prior to the date hereof, other than those which have been administratively waived, and all such Returns are true, complete and correct in all material respects;

(B) paid on a timely basis all Taxes which are due and payable, all assessments and reassessments, and all other Taxes due and payable by it on or before the date hereof, other than those which are being or have been contested in good faith and in respect of which, in the reasonable opinion of Inflazyme, adequate reserves in accordance with generally accepted accounting principles have been provided in the most recently published Inflazyme consolidated financial statements;

(C) duly and timely withheld, or caused to be withheld, all Taxes required by Laws to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account of any person, including any employees, officers or directors and any non resident person) and duly and timely remitted, or caused to be remitted, to the appropriate Tax authority such Taxes required by Laws to be remitted by it, except to the extent that such failure would not, individually or in the aggregate, reasonably be expected to have a Materially Adverse effect;

(D) duly and timely collected, or caused to be collected, any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Laws to be collected by it and duly and timely remitted to the appropriate Tax authority any such amounts required by Laws to be remitted by it, except to the extent that such failure would not, individually or in the aggregate, reasonably be expected to have a Materially Adverse effect.

(ii) No deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted with respect to Taxes of Inflazyme or any of its subsidiaries, and neither Inflazyme nor any of its subsidiaries is a party to any action or proceeding, including any audit or investigation, for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of Inflazyme, threatened against Inflazyme or any of its subsidiaries or any of their respective assets, except where such deficiencies, actions or proceedings would not reasonably be expected to have a Materially Adverse effect on Inflazyme.

(iii) The unpaid Taxes of Inflazyme and its subsidiaries did not, as of the date of the Inflazyme Financial Statements, exceed the reserves and provisions for Taxes accrued but not yet due as reflected in Inflazyme Financial Statements, and Taxes payable by Inflazyme and its subsidiaries as of the Effective Date will not exceed such reserves and provisions for Taxes as adjusted through the Effective Date in accordance with the past custom and practice of Inflazyme and its subsidiaries.

(iv) There are no currently effective elections, agreements or waivers extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of any Taxes of, or the filing of any Return or any payment of any Taxes by, Inflazyme or any of its subsidiaries, other than any immaterial subsidiary.

(v) Inflazyme is a "taxable Canadian corporation" as defined in the *Tax Act*.

(vi) There are no Encumbrances for Taxes upon any of the assets of Inflazyme and its subsidiaries.

(vii) Inflazyme and its subsidiaries are substantially in compliance with the Laws, including any documentation and recordkeeping requirements thereunder, applicable to the allocation of income and deductions and transactions among related taxpayers.

(viii) Neither Inflazyme nor any of its subsidiaries is a party to any indemnification, allocation or sharing agreement with respect to Taxes that could give rise to a payment or indemnification obligation and neither Inflazyme nor any of its subsidiaries has any liability for Taxes of any person (other than Inflazyme and its subsidiaries) as a transferee or successor, by contract, or otherwise.

(u) Contracts.

(i) The Inflazyme Disclosure Document includes (i) a complete and accurate list of all Contracts in force that Inflazyme is a party to, pursuant to which there are ongoing payment obligations, and (ii) a complete and accurate list of all Contracts in force that Inflazyme is a party to, pursuant to which there are no continuing payment obligations. Other than the Contracts referred to in the Inflazyme Disclosure Document, copies of which have been made available to Z-Tech, none of Inflazyme nor any of its subsidiaries is a party to or bound or governed by:

(A) any lease of real property by Inflazyme or any of its subsidiaries, as tenant, with third parties providing for annual rentals;

(B) any Contract under which Inflazyme or any of its subsidiaries is obliged to make payments on an annual basis;

(C) any partnership, limited liability company agreement, joint venture, alliance agreement or other similar agreement or arrangement relating to the formation, creation, operation, management, business or control of any partnership or joint venture which is not a wholly-owned subsidiary of Inflazyme (other than any such agreement or arrangement relating to the operation or business of a property in the ordinary course and which is not material with respect to such property), and any agreement between Inflazyme or any subsidiary of Inflazyme;

(D) any Contract (other than among wholly-owned subsidiaries) under which Indebtedness for borrowed money is outstanding or may be incurred or pursuant to which any property or asset of Inflazyme or any of its subsidiaries is mortgaged, pledged or otherwise subject to an Encumbrance or any Contract restricting the incurrence of Indebtedness by Inflazyme or any wholly-owned subsidiary or the incurrence of Encumbrances on any properties or securities of wholly-owned subsidiaries or restricting the payment of dividends or the transfer of any real property;

(E) any Contract that purports to limit in any material respect the right of Inflazyme or any of its subsidiaries (1) to engage in any line of business, or (2) to compete with any person or operate in any location;

(F) any Contract providing for the sale or exchange of, or option to sell or exchange, any property or asset with a fair market value, or for the purchase or exchange of, or option to purchase or exchange, any property or asset entered into in the past 12 months or in respect of which the applicable transaction has not been consummated;

(G) any Contract entered into in the past 12 months or in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition, directly or indirectly (by merger or otherwise), of material assets (other than Contracts referenced in clause (F) of this Section 3.1(u) or capital stock or other equity interests of another person, in each case other than in the ordinary and usual course of business;

(H) any Contract providing for “earn-outs”, “savings guarantees”, “performance guarantees”, or other contingent payments by Inflazyme or any of its subsidiaries;

(I) any standstill or similar Contract currently restricting the ability of Inflazyme or any of its subsidiaries to offer to purchase or purchase the assets or equity securities of another person; and

(J) any Contract (other than Contracts referenced in clauses (A) through (I) of this Section 3.1(u)(i)) which has been filed by Inflazyme with Securities Authorities and forms part of the Inflazyme Public Disclosure Record (the Contracts described in clauses (A) through (J), together with all exhibits and schedules thereto being, the “**Inflazyme Material Contracts**”);

(ii) Except as would not reasonably be expected to have a Materially Adverse effect on Inflazyme, none of Inflazyme, its subsidiaries or, to the knowledge of Inflazyme, any of the other parties thereto, is in breach or violation of, or default (in each case, with or without notice or lapse of time or both) under, any Material Contract and none of Inflazyme or any of its subsidiaries has received or given any notice of default under any such agreement which remains uncured, and, to the knowledge of Inflazyme, there exists no state of facts which after notice or lapse of time or both would constitute a default or breach of such Material Contract where such breach would reasonably be expected to have a Materially Adverse effect on Inflazyme.

(iii) There are no shareholders or stockholders agreements, registration rights agreements, voting trusts, proxies or similar agreements, arrangements or commitments to which Inflazyme or any of its subsidiaries is a party or to the knowledge of Inflazyme with respect to any shares of capital stock or other equity interests of Inflazyme or any of its subsidiaries or any other Contract relating to disposition, voting or dividends with respect to any equity securities of Inflazyme or any of its subsidiaries.

(iv) Each Material Contract is in full force and effect in all material respects and is valid and enforceable in accordance with its terms.

(v) Permits. Inflazyme and each of its subsidiaries has obtained and is in compliance with all Permits required by applicable Laws necessary to conduct its current businesses as they are now being conducted, other than where the absence of such Permits or the failure to comply would not reasonably be expected to have a Materially Adverse effect on Inflazyme.

(w) Pension and Employee Benefits.

(i) Inflazyme and each of its subsidiaries has complied, in all material respects, with the terms of all Plans that are maintained by or binding upon Inflazyme or such subsidiary or in respect of which Inflazyme or any of its subsidiaries has any actual or potential liability and with all applicable Laws relating thereto.

(ii) All of the Plans of Inflazyme are and have been established, registered, qualified and, in all material respects, administered in accordance with all applicable Laws, and in accordance with their terms and the terms of agreements between Inflazyme or any of its subsidiaries, as the case may be, and their respective employees and former employees who are participants in the Plans of Inflazyme.

(iii) All current obligations of Inflazyme or any of its subsidiaries regarding the Plans of Inflazyme have been satisfied except as would not reasonably be expected to have a Materially Adverse effect on Inflazyme and no Taxes are owing or exigible under any of the Plans of Inflazyme. All contributions or premiums required to be made by Inflazyme or any of its subsidiaries, as the case may be, under the terms of each Plan of Inflazyme or by applicable Laws have been made in a timely fashion in accordance with applicable laws and the terms of the Plans of Inflazyme except as would not reasonably be expected to have a Materially Adverse effect on Inflazyme.

(iv) Each Plan of Inflazyme is insured or funded as may be required by applicable Law and in good standing with such Governmental Authorities as may be applicable and, as of the date hereof, no currently outstanding notice of under-funding, non-compliance, failure to be in good standing or otherwise has been received by Inflazyme or any of its subsidiaries from any such Governmental Authorities. No Plan of Inflazyme provides any non-pension post-retirement or post-employment benefits.

(v) To the knowledge of Inflazyme, no Plan of Inflazyme is subject to any pending investigation, examination other proceeding, action or claim initiated by any Governmental Authority, or by any other party other than routine claim for benefits, and there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or to affect the registration or qualification of any Plan of Inflazyme required to be registered or qualified.

(vi) Neither the execution and delivery of this agreement by Inflazyme nor consummation of the Arrangement nor compliance by Inflazyme with any of the provisions hereof, will result in any payment (including severance, unemployment compensation, bonuses or otherwise) becoming due to any director or employee of it or any of its subsidiaries or result in any increase or acceleration of contributions, liabilities or benefits, or acceleration of vesting, under any Plan of Inflazyme or restriction applicable in connection with any Plan of Inflazyme.

(vii) Except as set forth in the Inflazyme Disclosure Document, the consummation of the Arrangement will not (either alone or in conjunction with any other event) (A) entitle any current or former director, employee, contractor of consultant of Inflazyme or any of its subsidiaries to severance pay, unemployment compensation or any other payment or (B) accelerate the time of payment or vesting, or increase the amount of compensation due to any such director, employee, contractor or consultant, or result in the payment of any other benefits in a material way to any person or the forgiveness of any Indebtedness of any person.

(x) Intellectual Property.

(i) Inflazyme and its subsidiaries own all right, title and interest in and to, or have validly licensed (and are not in material breach of such licenses) all Intellectual Property Rights that are material to the conduct of the business, as presently conducted, of Inflazyme and its subsidiaries taken as a whole;

(ii) all Intellectual Property Rights of Inflazyme are sufficient for conducting business as presently conducted, of Inflazyme and its subsidiaries taken as a whole;

(iii) to the knowledge of Inflazyme, all Intellectual Property Rights of Inflazyme are valid and enforceable and do not infringe in any material way upon any third parties' intellectual properly and proprietary rights and no event will occur as a result of the transactions contemplated hereby that would render invalid or unenforceable any Intellectual Property Rights of Inflazyme;

(iv) to the knowledge of Inflazyme, no third party is infringing upon the Intellectual Property Rights of Inflazyme in any material respect;

(v) all Technology is up-to-date and sufficient for conducting the business, as presently conducted, of Inflazyme and its subsidiaries, as presently conducted, taken as a whole;

(vi) Inflazyme and its subsidiaries own or have validly licensed (and are not in material breach of such licenses) such Technology and have commercially reasonable virus protection and security measures in place in relation to such Technology; and

(vii) Inflazyme and its subsidiaries have reasonable back-up systems and a disaster recovery plan adequate to ensure the continuing availability of the functionality provided by the Technology, and have ownership of or a valid license to the Intellectual Property Rights of Inflazyme necessary to allow them to continue to provide the functionality provided by the Technology in the event of any malfunction of the Technology or other form of disaster affecting the Technology.

(y) Insurance. Inflazyme and its subsidiaries maintain policies or binders of insurance as listed in the Inflazyme Disclosure Document and Inflazyme is in compliance in all material respects with all requirements with respect thereto. All premiums due under such policies have been paid in full when due. Neither Inflazyme nor any of its subsidiaries has received a written notice of cancellation of any such policy or of any material changes that are required in the conduct of the business of Inflazyme or any of its subsidiaries as a condition to the continuation of coverage under, or renewal of, any such policy. To the knowledge of Inflazyme, there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default under any such policy or entitle any insurer to terminate or cancel any such policy. Inflazyme has not received written notice of any threatened termination of, or material premium increase with respect to, any such policy and none of such policies provides for retroactive premium adjustments.

(z) Environment.

(i) Except as would not reasonably be expected to have a Materially Adverse effect on Inflazyme, there is not any presence or Release of any Hazardous Substances (except in compliance with applicable Environmental Laws) on, at, in, under or from any of the immovable or real properties (including the workplace environment) currently or to Inflazyme's knowledge, previously owned, leased or operated by Inflazyme and its subsidiaries.

(ii) Except as would not reasonably be expected to have a Materially Adverse effect on Inflazyme, there are no pending claims, or to the knowledge of Inflazyme threatened claims, against Inflazyme and its subsidiaries arising out of any Environmental Laws.

(iii) No Encumbrances in favour of a Governmental Authority arising under Environmental Laws is pending or, to the knowledge of Inflazyme, threatened, affecting Inflazyme and its subsidiaries or any real or personal property of Inflazyme and its subsidiaries except as would not reasonably be expected to have a Materially Adverse effect on Inflazyme.

(iv) Inflazyme has made available to Z-Tech copies of all material environmental assessments, reports, audits and other documents in its possession that relate to the current or past environmental condition of any real property currently or formerly owned, leased or used by Inflazyme and its subsidiaries in the last two years.

(aa) No "Collateral Benefit" Under Ontario Rule or Multilateral Instrument.

To the knowledge of Inflazyme, no related party of Inflazyme (within the meaning of Ontario Securities Commission Rule 61-501-Insider Bids, Issuer Bids, Business Combinations and Related Party Arrangements or proposed Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions) will receive a "collateral benefit" (within the meaning of such Rule or Multilateral Instrument) as a consequence of the transactions contemplated by this Agreement.

(bb) Clinical Trials

All clinical trials conducted by or on behalf of Inflazyme have been conducted (A) in material compliance with the applicable requirements of current, or current at the time of the conduct of the trial, good clinical practices, informed consent, and all other authorizations, requirements and Laws applicable in the territory in which the trial is being or was conducted; and (B) in material compliance with the Laws, regulations, policies, requirements, and guidelines of the Governmental Authority of the territory in which the trial is being conducted. Inflazyme was and is in material compliance with all Laws with respect to manufacturing and preclinical and clinical research and development of all of its products. Inflazyme has not received any written notice or communication of any non-compliance with any Laws that has not been cured as of the date hereof. Inflazyme is not currently conducting any clinical trials.

3.2 Representations and Warranties of Z-Tech

Z-Tech represents and warrants to and in favour of Inflazyme and Newco as follows in each case except as set forth in the Z-Tech Disclosure Document (each of which exceptions will specifically identify the relevant section hereof to which it relates) and acknowledges that Inflazyme and Newco are relying upon such representations and warranties in entering into this Agreement:

(a) Organization and Corporate Capacity. Z-Tech has been duly incorporated and is validly existing under the laws of Ontario and has the requisite corporate power and capacity to own its assets as now owned and to carry on its business as it is now being carried on.

(b) Authority Relative to this Agreement. Z-Tech has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated herein. The execution and delivery of this Agreement and the consummation by Z-Tech of the transactions contemplated by this Agreement have been duly authorized by the directors of Z-Tech and no other corporate proceedings on the part of Z-Tech are necessary to authorize the execution and delivery by it of this Agreement or the Arrangement or the consummation of the transactions contemplated hereby other than the approval of Z-Tech Securityholders contemplated pursuant to the terms of this Agreement. This Agreement has been duly executed and delivered by Z-Tech and constitutes a legal, valid and binding obligation of Z-Tech enforceable against Z-Tech in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other Laws relating to or affecting the enforcement of creditors' rights generally and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction;

(c) No Violation. Subject to obtaining the authorizations, consents and approvals referred to in Section 3.2(d) and complying with applicable corporate, securities, competition and antitrust Laws, to the knowledge of Z-Tech, the execution and delivery by Z-Tech of this Agreement and performance by Z-Tech of its obligations hereunder and the completion of the transactions contemplated herein do not and will not (nor will they with the giving of notice or the lapse of time or both): (i) result in a material contravention, breach, violation or default under any Law applicable to it, or any of its properties or assets; (ii) result in a material contravention, conflict with, violation, breach or default under its constating documents; or (iii) result in a material contravention, breach or default under or termination of, or acceleration or permit the acceleration of the performance required by, any material agreement, contract, covenant, undertaking, commitment, instrument, licence, permit or authorization to which it is a party or by which it is bound or to which any of its properties or assets is subject or give to any person any material interest or right, including any right of purchase, termination, cancellation or acceleration under any such agreement, contract, covenant, undertaking, commitment, instrument, licence, permit or authorization except where, individually or in the aggregate, the result would not cause a Materially Adverse effect on Z-Tech's or Z-Tech's ability to perform its obligations under this Agreement.

(d) Approvals. No authorization, licence, permit, certificate, registration, consent or approval of, or filing with, or notification to, any Governmental Authority is necessary for the consummation by Z-Tech of the transactions contemplated by this Agreement, other than:

(i) the Interim Order and any filings required in order to obtain, and approvals required under, the Interim Order;

(ii) the Final Order, and filings required in order to obtain the Final Order;

(iii) filings with the Director under the OBCA;

(iv) the Appropriate Regulatory Approvals relating to Z-Tech; and

(v) any other authorizations, licences, permits, certificates, registrations, consents, approvals and filings and notifications, which relate solely to the identity of the parties or which are in the normal course or of a purely administrative nature, the failure to obtain or make which would not significantly impede Z-Tech's ability to complete the transactions contemplated by this Agreement.

(e) Acceleration of Benefits. Except as disclosed to Inflazyme in the Z-Tech Disclosure Document, no person will, as a result of Z-Tech entering into and completing the transactions contemplated by this Agreement, become entitled to (i) any retirement, severance, bonus or other similar payment; (ii) the acceleration of the vesting or the time to exercise of any outstanding stock option or employee benefits; (iii) the forgiveness or postponement of payment of any indebtedness owing by such person to Z-Tech or any of its subsidiaries; or (iv) receive any additional payments or compensation under or in respect of any employee benefits (including a cash surrender or similar payment in respect of outstanding stock options).

(f) Capitalization. The authorized capital of Z-Tech consists of an unlimited number of common shares, an unlimited number of Z-Tech Class A Shares and an unlimited number of Z-Tech Class B Shares. As at the date of this Agreement there are 1,500,000 common shares issued and outstanding as fully paid and non-assessable shares, 1,242,500 Z-Tech Class A Shares issued and outstanding as fully paid and non-assessable shares, and 23,738,960 Z-Tech Class B Shares issued and outstanding as fully paid and non-assessable shares. All outstanding shares of Z-Tech have been duly authorized and validly issued and have been issued in compliance in all material respects, with all applicable Laws. Except as disclosed in the Z-Tech Disclosure Document, there are no outstanding contractual or other obligations of Z-Tech to (i) repurchase, redeem or otherwise acquire any of its securities, (ii) make any investment in or, except in the ordinary course of business consistent with past practice, provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person, other than a wholly owned subsidiary or (iii) provide any guarantee with respect to any subsidiary of Z-Tech or any other person.

(g) Subsidiaries. The Z-Tech Disclosure Document includes complete and accurate lists and/or charts of all subsidiaries owned, directly or indirectly, by Z-Tech, each of which is wholly owned except as otherwise noted in such lists. All of the outstanding shares in the capital of or outstanding shares of capital stock or other ownership interests of the subsidiaries of Z-Tech are validly issued, fully paid and non-assessable and except (i) as disclosed to Inflazyme in the Z-Tech Disclosure Document or (ii) pursuant to the constating documents of any such subsidiary or any shareholder, partnership, limited partnership, joint venture or other similar agreement for or in relation to a subsidiary that is not wholly-owned or (iii) pursuant to existing financing transactions, all such shares and other ownership interests owned directly or indirectly by Z-Tech are owned free and clear of any Encumbrances and there is no outstanding option, right, entitlement, understanding or commitment (contingent or otherwise) regarding the right to acquire any such share or ownership interest in any such subsidiary and no option, warrant, conversion privilege, or other right, agreement, arrangement or commitment obligating any such subsidiary to issue or sell any share or ownership interest of such subsidiary or security or obligation of any kind convertible into or exchangeable for any shares or ownership interest of any such subsidiary. Except as disclosed to Inflazyme in the Z-Tech Disclosure Document, there are no outstanding contractual or other obligations of any subsidiaries of Z-Tech to (i) repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any outstanding securities of any subsidiaries of Z-Tech, make any investment in or, except in the ordinary course of business consistent with past practice, provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person, other than a wholly owned subsidiary of Z-Tech or (ii) provide any guarantee with respect to any subsidiary of Z-Tech or any other person. Z-Tech and its subsidiaries do not own any interest in any other corporation or partnership, joint venture or other business combination.

(h) Qualification. Z-Tech and each of its subsidiaries is duly qualified to carry on business in each jurisdiction in which the nature or character of the respective properties and assets, owned, leased or operated by it, or the nature of its business or activities, makes such qualification necessary except where the failure to be so qualified will not have a Materially Adverse effect on Z-Tech; no proceeding has been instituted or is pending for the dissolution, winding-up or liquidation of Z-Tech or any of its subsidiaries.

(i) Options or Rights. Except as has been disclosed to Inflazyme in the Z-Tech Disclosure Document, Z-Tech has no outstanding agreement, subscription, warrant, option or commitment (nor has it granted any right or privilege capable of becoming an agreement, subscription, warrant, option or commitment) obligating it to issue or sell any shares or other securities, including any security or obligation of any kind convertible into or exchangeable for any share or other security; there is no outstanding share or stock appreciation right, phantom equity, restricted share unit, deferred share unit or similar right, agreement, arrangement or commitment based on the book value, share price, income or any other attribute of Z-Tech or any of its subsidiaries; there is no outstanding shareholder agreement, proxy, voting trust, right to require registration under any applicable securities laws (including the Legislation) or any other transaction or commitment to which Z-Tech or any of its subsidiaries is a party or bound, with respect to the voting, disposition or registration of any outstanding securities of Z-Tech or any of its subsidiaries. The Z-Tech Disclosure Document lists the aggregate number of Z-Tech Common Shares issuable upon exercise of the Z-Tech Options. The Z-Tech Common Shares issuable upon the exercise of rights under the Z-Tech Options have been duly authorized and upon issuance, will be validly issued as fully paid and non-assessable. The Z-Tech Disclosure Document lists the aggregate number of Z-Tech Common Shares issuable upon the exercise of rights to acquire Z-Tech Preferred Shares under the Z-Tech Warrants and conversion of such Z-Tech Preferred Shares.

(j) Financial Statements. The Z-Tech Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with those of previous years except as otherwise stated in the notes to such statements or in the auditor’s report thereon. The Z-Tech Financial Statements present fairly, in all material respects, the financial position of Z-Tech and its subsidiaries as at the respective dates thereof and the results of operations of Z-Tech and its subsidiaries on a consolidated basis for the periods covered thereby. The Z-Tech Interim Financial Statements have been prepared by management for internal purposes. The Z-Tech Interim Financial Statements have not been prepared in accordance with generally accepted accounting principles.

(k) Absences of Certain Changes or Events. Except as has been disclosed to Inflazyme in the Z-Tech Disclosure Document, and except in connection with this Agreement and the transactions contemplated in this Agreement:

(i) Z-Tech and its subsidiaries have no material liability or material obligation of any nature (whether accrued, absolute, contingent or otherwise), including any agreement, contract or commitment to create, assume or issue any debt or bond, debenture, mortgage, promissory note or other instrument evidencing indebtedness for borrowed money or any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any similar commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, (and Z-Tech has no knowledge of any potential such material liability or material obligation), which individually or in the aggregate has not been reflected in the Z-Tech Financial Statements, other than liabilities, indebtedness or obligations incurred by Z-Tech and its subsidiaries: (A) in the ordinary course of business or (B) in connection with this Agreement and the transactions contemplated in this Agreement; and

(ii) Since December 31, 2006:

(A) Z-Tech has conducted its business only in the ordinary course; and

(B) there has not occurred (or been threatened) any change, or any condition or event, which individually or in the aggregate, would or does have or would be reasonably expected to have, a Materially Adverse effect on Z-Tech;

(l) Property. Except as disclosed to Z-Tech in the Z-Tech Disclosure Document, Z-Tech and its subsidiaries have good and sufficient title to the real property interests, leases, easements, rights of way, permits or licences permitting the use by Z-Tech and its subsidiaries, necessary to permit the operation of the current businesses, as they are presently conducted.

(m) Employment Agreements and Collective Agreements. Except as disclosed in the Z-Tech Disclosure Document, none of Z-Tech or any of its subsidiaries is a party to or bound or governed by:

(i) any employment, retention or change of control agreement with any senior officer or employee or any written or oral agreement, arrangement or understanding providing for retention, severance or termination payments to any senior officer or employee of Z-Tech or any subsidiary of Z-Tech;

(ii) any collective bargaining or union agreement, any actual or, to the knowledge of Z-Tech, threatened application for certification or bargaining rights in respect of Z-Tech or any of its subsidiaries;

(iii) any labour dispute, strike or lock-out relating to or involving any employees of Z-Tech or any of its subsidiaries that would reasonably be expected to have a Materially Adverse effect on Z-Tech; or

(iv) any actual or, to the knowledge of Z-Tech, threatened claim arising out of or in connection with employment by Z-Tech or any of its subsidiaries or the termination thereof, other than such claims as in the aggregate do not have a Materially Adverse effect on Z-Tech.

(n) Financial Advisers or Brokers. Except as disclosed in the Z-Tech Disclosure Document, none of Z-Tech or any of its subsidiaries has incurred any obligation or liability, contingent or otherwise, or agreed to pay or reimburse any broker, finder, financial adviser or investment banker for any brokerage, finder's, advisory or other fee or commission, or for the reimbursement of expenses, in connection with this Agreement or the transactions contemplated herein.

(o) Taxes.

(i) Z-Tech and each of its subsidiaries has:

(A) duly and timely filed all material Returns required to be filed by it prior to the date hereof, other than those which have been administratively waived, and all such Returns are true, complete and correct in all material respects;

(B) paid on a timely basis all Taxes which are due and payable, all assessments and reassessments, and all other Taxes due and payable by it on or before the date hereof, other than those which are being or have been contested in good faith and in respect of which, in the reasonable opinion of Z-Tech, adequate reserves in accordance with generally accepted accounting principles have been provided in the most recently published Z-Tech consolidated financial statements;

(C) duly and timely withheld, or caused to be withheld, all Taxes required by Laws to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account of any person, including any employees, officers or directors and any non resident person) and duly and timely remitted, or caused to be remitted, to the appropriate Tax authority such Taxes required by Laws to be remitted by it, except to the extent that such failure would not, individually or in the aggregate, reasonably be expected to have a Materially Adverse effect;

(D) duly and timely collected, or caused to be collected, any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Laws to be collected by it and duly and timely remitted to the appropriate Tax authority any such amounts required by Laws to be remitted by it, except to the extent that such failure would not, individually or in the aggregate, reasonably be expected to have a Materially Adverse effect.

(ii) No deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted with respect to Taxes of Z-Tech or any of its subsidiaries, and neither Z-Tech nor any of its subsidiaries is a party to any action or proceeding, including any audit or investigation, for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of Z-Tech, threatened against Z-Tech or any of its subsidiaries or any of their respective assets, except where such deficiencies, actions or proceedings would not reasonably be expected to have a Materially Adverse effect on Z-Tech.

(iii) The unpaid Taxes of Z-Tech and its subsidiaries did not, as of the date of the Z-Tech Financial Statements, exceed the reserves and provisions for Taxes accrued but not yet due as reflected in Z-Tech Financial Statements, and Taxes payable by Z-Tech and its subsidiaries as of the Effective Date will not exceed such reserves and provisions for Taxes as adjusted through the Effective Date in accordance with the past custom and practice of Z-Tech and its subsidiaries.

(iv) There are no currently effective elections, agreements or waivers extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of any Taxes of, or the filing of any Return or any payment of any Taxes by, Z-Tech or any of its subsidiaries, other than any immaterial subsidiary.

(v) Z-Tech is a “taxable Canadian corporation” as defined in the *Tax Act*.

(vi) There are no Encumbrances for Taxes upon any of the assets of Z-Tech and its subsidiaries.

(vii) Z-Tech and its subsidiaries are substantially in compliance with the Laws, including any documentation and recordkeeping requirements thereunder, applicable to the allocation of income and deductions and transactions among related taxpayers.

(viii) Neither Z-Tech nor any of its subsidiaries is a party to any indemnification, allocation or sharing agreement with respect to Taxes that could give rise to a payment or indemnification obligation and neither Z-Tech nor any of its subsidiaries has any liability for Taxes of any person (other than Z-Tech and its subsidiaries) as a transferee or successor, by contract, or otherwise.

(p) Contracts.

(i) Other than the Contracts referred to in the Z-Tech Disclosure Document, copies of which have been made available to Inflazyme, none of Z-Tech nor any of its subsidiaries is a party to or bound or governed by:

(A) any partnership, limited liability company agreement, joint venture, alliance agreement or other similar agreement or arrangement relating to the formation, creation, operation, management, business or control of any partnership or joint venture which is not a wholly-owned subsidiary of Z-Tech (other than any such agreement or arrangement relating to the operation or business of a property in the ordinary course and which is not material with respect to such property), and any agreement between Z-Tech or any subsidiary of Z-Tech;

(B) any Contract (other than among wholly-owned subsidiaries) under which Indebtedness for borrowed money is outstanding or may be incurred or pursuant to which any property or asset of Z-Tech or any of its subsidiaries is mortgaged, pledged or otherwise subject to an Encumbrance or any Contract restricting the incurrence of Indebtedness by Z-Tech or any wholly-owned subsidiary or the incurrence of Encumbrances on any properties or securities of wholly-owned subsidiaries or restricting the payment of dividends or the transfer of any real property;

(C) any Contract that purports to limit in any material respect the right of Z-Tech or any of its subsidiaries (1) to engage in any line of business, or (2) to compete with any person or operate in any location;

(D) any Contract providing for the sale or exchange of, or option to sell or exchange, any property or asset, or for the purchase or exchange of, or option to purchase or exchange, any property or asset entered into in the past 12 months or in respect of which the applicable transaction has not been consummated;

(E) any Contract entered into in the past 12 months or in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition, directly or indirectly (by merger or otherwise), of material assets (other than Contracts referenced in clause (F) of this section 3.2(p)) or capital stock or other equity interests of another person, in each case other than in the ordinary and usual course of business;

(F) any Contract providing for “earn-outs”, “savings guarantees”, “performance guarantees”, or other contingent payments by Z-Tech or any of its subsidiaries;

(G) any standstill or similar Contract currently restricting the ability of Z-Tech or any of its subsidiaries to offer to purchase or purchase the assets or equity securities of another person;

(H) any Contract that provides for the payment by or to Z-Tech in excess of $50,000 (other than Contracts referenced in clauses (A) through (G) of this section 3.2(p)(i)) (the Contracts described in clauses (A) through (G), together with all exhibits and schedules thereto being, the "**Z-Tech Material Contracts**");

(ii) Except as would not reasonably be expected to have a Materially Adverse effect on Z-Tech, none of Z-Tech, its subsidiaries or, to the knowledge of Z-Tech, any of the other parties thereto, is in breach or violation of, or default (in each case, with or without notice or lapse of time or both) under, any Z-Tech Material Contract and none of Z-Tech or any of its subsidiaries has received or given any notice of default under any such agreement which remains uncured, and, to the knowledge of Z-Tech, there exists no state of facts which after notice or lapse of time or both would constitute a default or breach of such Z-Tech Material Contract where such breach would reasonably be expected to have a Materially Adverse effect on Z-Tech.

(iii) Except as disclosed to Inflazyme in the Z-Tech Disclosure Schedule there are no shareholders or stockholders agreements, registration rights agreements, voting trusts, proxies or similar agreements, arrangements or commitments to which Z-Tech or any of its subsidiaries is a party or to the knowledge of Z-Tech with respect to any shares of capital stock or other equity interests of Z-Tech or any of its subsidiaries or any other Contract relating to disposition, voting or dividends with respect to any equity securities of Z-Tech or any of its subsidiaries.

(iv) Each Z-Tech Material Contract is in full force and effect in all material respects and is valid and enforceable in accordance with its terms.

(q) Permits. Z-Tech and each of its subsidiaries has obtained and is in compliance with all Permits required by applicable Laws necessary to conduct its current businesses as they are now being conducted, other than where the absence of such Permits or the failure to comply would not reasonably be expected to have a Materially Adverse effect on Z-Tech.

(r) Pension and Employee Benefits.

(i) All current obligations of Z-Tech or any of its subsidiaries regarding the Plans of Z-Tech have been satisfied except as would not reasonably be expected to have a Materially Adverse effect on Z-Tech and no Taxes are owing or exigible under any of the Plans of Z-Tech. All contributions or premiums required to be made by Z-Tech or any of its subsidiaries, as the case may be, under the terms of each Plan of Z-Tech or by applicable

Laws have been made in a timely fashion in accordance with applicable laws and the terms of the Plans of Z-Tech except as would not reasonably be expected to have a Materially Adverse effect on Z-Tech.

(ii) Each Plan of Z-Tech is insured or funded as may be required by applicable Law and in good standing with such Governmental Authorities as may be applicable and, as of the date hereof, no currently outstanding notice of under-funding, non-compliance, failure to be in good standing or otherwise has been received by Z-Tech or any of its subsidiaries from any such Governmental Authorities.

(iii) Neither the execution and delivery of this agreement by Z-Tech nor consummation of the Transaction nor compliance by Z-Tech with any of the provisions hereof, will result in any payment (including severance, unemployment compensation, bonuses or otherwise) becoming due to any director or employee of it or any of its subsidiaries or result in any increase or acceleration of contributions, liabilities or benefits, or acceleration of vesting, under any Plan of Z-Tech or restriction applicable in connection with any Plan of Z-Tech.

(iv) Except as set forth in the Z-Tech Disclosure Document, the consummation of the Transaction will not (either alone or in conjunction with any other event) (A) entitle any current or former director, employee, contractor of consultant of Z-Tech or any of its subsidiaries to severance pay, unemployment compensation or any other payment or (B) accelerate the time of payment or vesting, or increase the amount of compensation due to any such director, employee, contractor or consultant, or result in the payment of any other benefits in a material way to any person or the forgiveness of any Indebtedness of any person.

(s) Intellectual Property.

(i) Z-Tech and its subsidiaries own all right, title and interest in and to, or have validly licensed (and are not in material breach of such licenses) related to Intellectual Property Rights that are material to the conduct of the business, as presently conducted, of Z-Tech and its subsidiaries taken as a whole;

(ii) all Intellectual Property Rights of Z-Tech are sufficient for conducting the business of Z-Tech and its subsidiaries, as presently conducted;

(iii) to the knowledge of Z-Tech, all Intellectual Property Rights of Z-Tech are valid and enforceable and do not infringe in any material way upon any third parties' intellectual properly and proprietary rights and no event will occur as a result of the transactions contemplated hereby that would render invalid or unenforceable any such Intellectual Property Rights of Z-Tech;

(iv) to the knowledge of Z-Tech, no third party is infringing upon Intellectual Property Rights of Z-Tech in any material respect;

(v) all Technology used in connection with the conduct of the business of Z-Tech and its subsidiaries, as presently conducted, are up-to-date and sufficient for conducting the business, as presently conducted, of Z-Tech and its subsidiaries taken as a whole;

(vi) Z-Tech and its subsidiaries own or have validly licensed (and are not in material breach of such licenses) such Technology and have commercially reasonable virus protection and security measures in place in relation to such Technology; and

(vii) Z-Tech and its subsidiaries have reasonable back-up systems and a disaster recovery plan adequate to ensure the continuing availability of the functionality provided by the Technology, and have ownership of or a valid license to the Intellectual Property Rights of Z-Tech necessary to allow them to continue to provide the functionality provided by the Technology in the event of any malfunction of the Technology or other form of disaster affecting the Technology.

(t) Insurance. Z-Tech and its subsidiaries maintain policies or binders of insurance as listed in the Z-Tech Disclosure Document and Z-Tech is in compliance in all material respects with all requirements with respect thereto. All premiums due under such policies have been paid in full when due. Neither Z-Tech nor any of its subsidiaries has received a written notice of cancellation of any such policy or of any material changes that are required in the conduct of the business of Z-Tech or any of its subsidiaries as a condition to the continuation of coverage under, or renewal of, any such policy. To the knowledge of Z-Tech, there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default under any such policy or entitle any insurer to terminate or cancel any such policy. Z-Tech has not received written notice of any threatened termination of, or material premium increase with respect to, any such policy and none of such policies provides for retroactive premium adjustments.

(u) Environment.

(i) Except as would not reasonably be expected to have a Materially Adverse effect on Z-Tech, there is not any presence or Release of any Hazardous Substances (except in compliance with applicable Environmental Laws) on, at, in, under or from any of the immovable or real properties (including the workplace environment) currently or to Z-Tech's knowledge, previously owned, leased or operated by Z-Tech and its subsidiaries.

(ii) Except as would not reasonably be expected to have a Materially Adverse effect on Z-Tech, there are no pending claims, or to the knowledge of Z-Tech threatened claims, against Z-Tech and its subsidiaries arising out of any Environmental Laws.

(iii) No Encumbrances in favour of a Governmental Authority arising under Environmental Laws is pending or, to the knowledge of Z-Tech, threatened, affecting Z-Tech and its subsidiaries or any real or personal property of Z-Tech and its subsidiaries except as would not reasonably be expected to have a Materially Adverse effect on Z-Tech.

(iv) Z-Tech has made available to Inflazyme copies of all material environmental assessments, reports, audits and other documents in its possession that relate to the current or past environmental condition of any real property currently or formerly owned, leased or used by Z-Tech and its subsidiaries in the last two years.

(v) Investment Canada. Z-Tech is Canadian within the meaning of the *Investment Canada Act* (Canada).

(w) Clinical Trials. The Phase I clinical trial conducted by or on behalf of Z-Tech has been and is being conducted (A) in material compliance with the applicable requirements of current, or current at the time of the conduct of the trial, good clinical practices, informed consent, and all other authorizations, requirements and Laws applicable in the territory in which the trial is being or was conducted; and (B) in material compliance with the Laws, regulations, policies, requirements, and guidelines of the Governmental Authority of the territory in which the trial is being conducted. Z-Tech was and is in material compliance with all Laws with respect to manufacturing and preclinical and clinical research and development of all of its products. No change is required in Z-Tech's processes, properties or procedures in order to bring them into material compliance with any Laws and Z-Tech has not received any written notice or communication of any non-compliance with any Laws that has not been cured as of the date hereof.

3.3 Representations and Warranties of Newco

Newco represents and warrants to Z-Tech and Inflazyme as follows and acknowledges that Z-Tech and Inflazyme are relying upon these representations and warranties in entering into this Agreement:

(a) Organization and Corporate Capacity. Newco has been duly incorporated and is validly existing under the laws of Canada and has the requisite corporate power and capacity to own its assets as now owned and to carry on its business as it is now being carried on.

(b) Authority Relative to this Agreement. Newco has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated herein. The execution and delivery of this Agreement and the consummation by Newco of the transactions contemplated by this Agreement have been duly authorized by the directors of Newco and no other corporate proceedings on the part of Newco are necessary to authorize the execution and delivery by it of this Agreement or the Arrangement or the consummation of the transactions contemplated hereby other than the approval of the shareholders of

Newco contemplated pursuant to the terms of this Agreement. This Agreement has been duly executed and delivered by Newco and constitutes a legal, valid and binding obligation of Newco enforceable against Newco in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other Laws relating to or affecting the enforcement of creditors' rights generally and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction;

(c) No Violation. Subject to obtaining the authorizations, consents and approvals referred to in Section 3.3(d) and complying with applicable corporate, securities, competition and antitrust Laws, to the knowledge of Newco, the execution and delivery by Newco of this Agreement and performance by Newco of its obligations hereunder and the completion of the transactions contemplated herein do not and will not (nor will they with the giving of notice or the lapse of time or both): (i) result in a material contravention, breach, violation or default under any Law applicable to it, or any of its properties or assets; or (ii) result in a material contravention, conflict with, violation, breach or default under its constating documents.

(d) Approvals. No authorization, licence, permit, certificate, registration, consent or approval of, or filing with, or notification to, any Governmental Authority is necessary for the consummation by Newco of the transactions contemplated by this Agreement, other than:

(i) the Interim Order and any filings required in order to obtain, and approvals required under, the Interim Order;

(ii) the Final Order, and filings required in order to obtain the Final Order; and

(iii) filings with the Registrar under the BCBCA or CBCA, if required.

(e) Capitalization. The authorized capital of Newco consists of an unlimited number of common shares. As at the date of this Agreement there is 1 common share issued and outstanding as fully paid and non-assessable shares. All outstanding shares of Newco have been duly authorized and validly issued and have been issued in compliance in all material respects, with all applicable Laws. There are no outstanding contractual or other obligations of Newco to (i) repurchase, redeem or otherwise acquire any of its securities, (ii) make any investment in or, except in the ordinary course of business consistent with past practice, provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person.

3.4 Survival of Representations and Warranties

No investigation by or on behalf of any party hereto prior to the execution of this Agreement will mitigate, diminish or affect the representations and warranties made by the other parties. The representations and warranties of the parties contained in this Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. This Section 3.4 will not limit any covenant or agreement of any of the parties which, by its terms, contemplates performance after the Effective Time or date on which this Agreement is terminated, as the case may be.

ARTICLE 4
COVENANTS

4.1 Covenants of Inflazyme Regarding the Conduct of Business

Inflazyme covenants and agrees that, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless Z-Tech otherwise consents in writing (to the extent that such consent is permitted by applicable Law), which consent will not be unreasonably withheld or delayed, or as is otherwise expressly permitted or specifically contemplated by this Agreement and the completion of the transactions contemplated by this Agreement or as is otherwise required by applicable Law:

(a) the business of Inflazyme and its subsidiaries will be conducted only, and Inflazyme and its subsidiaries will not take any action except, in the ordinary course of business as currently conducted;

(b) Inflazyme will not, and will not permit any of its subsidiaries to, directly or indirectly:

   (i) alter or amend the articles, notice of articles or other constating documents of Inflazyme or alter or amend the articles, charter, by-laws or other constating documents of any subsidiary of Inflazyme;

   (ii) declare, set aside or pay any dividend on or make any distribution or payment or return of capital in respect of the Common Shares owned by any person or the securities of any subsidiary of Inflazyme owned by a person other than Inflazyme, in cash, shares, property or assets or otherwise, other than, in the case of Inflazyme, consistent with past practice and, in the case of any subsidiary directly or indirectly wholly-owned by Inflazyme, any dividends payable to Inflazyme or any other wholly-owned subsidiary of Inflazyme;

   (iii) split, divide, consolidate, combine, exchange or reclassify any of its shares or other equity securities or issue or authorize the issuance of any other securities in lieu of or in substitution for, any of its shares or other equity securities;

   (iv) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Inflazyme or its subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Inflazyme or any of its subsidiaries, other than (A) the issuance of Common Shares issuable pursuant to the terms of Inflazyme Options or warrants or rights to acquire Common Shares outstanding as at the date hereof; and (B) transactions between two or more wholly-owned subsidiaries of Inflazyme or between Inflazyme and a wholly-owned subsidiary;

(v) redeem, purchase or otherwise acquire or subject to an Encumbrance any of its outstanding shares or other equity securities or securities convertible or exchangeable into or exercisable for any such securities, unless otherwise required by the terms of such securities and other than in transactions between two or more Inflazyme wholly-owned subsidiaries or between Inflazyme and an Inflazyme wholly-owned subsidiary;

(vi) amend or modify any of its shares or other equity securities or any securities convertible or exchangeable into or exercisable for any such securities or any of the instruments or agreements governing such securities;

(vii) adopt a plan or agreement of, or resolutions providing for or authorizing, complete or partial liquidation, dissolution, arrangement, amalgamation, consolidation, restructuring, recapitalization or other reorganization of Inflazyme or any of its subsidiaries;

(viii) make any changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any new accounting policies, principles, methods, practices or procedures), except as required by applicable Laws or under generally accepted accounting principles;

(ix) make or change any material Tax election, change any annual Tax accounting period, adopt or change any method of Tax accounting, amend any material Tax Returns or file claims for Tax refunds, enter into any closing agreement, enter into (or offer to enter into) any agreement (including any waiver) with any Governmental Authority relating to Taxes, settle (or offer to settle) any Tax claim, audit or assessment, or surrender any right to claim a Tax refund, offset or other reduction in Tax liability; or

(x) enter into, modify or terminate any Contract with respect to any of the foregoing;

(c) Inflazyme will promptly notify Z-Tech in writing of (i) any circumstance or development that is or would reasonably be expected to be Materially Adverse to Inflazyme or any change in any material fact set forth in the Inflazyme Disclosure Document or in the Inflazyme Public Disclosure Record and (ii) the occurrence of any loss, breakage or damage to, or litigation involving, a property or asset owned or managed by Inflazyme or any of its subsidiaries in excess of $25,000 (irrespective of insurance or third party proceeds which have been or may be received in connection with such loss, breakage, damage or claim);

(d) Inflazyme will not, and will not permit any of its subsidiaries to, directly or indirectly:

(i) sell, pledge, lease, licence, dispose of or encumber any assets or properties of Inflazyme;

(ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or other equity securities or interests or assets or otherwise) any corporation, partnership, association or other business organization or division thereof or any property or asset, or make any investment either by the purchase of securities, contributions of capital, property transfer, or purchase of any property or assets of any other person, enter into or extend any option to acquire, or exercise an option to acquire any real estate projects, if any of the foregoing would reasonably be expected to be material to Inflazyme;

(iii) incur any Indebtedness or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, or make any loans or advances to, or investments in, any person, except pursuant to existing credit facilities or debt instruments (or the agreements, indentures or guarantees governing or relating to such facilities or instruments);

(iv) pay, discharge or satisfy any material claim, liability or obligation, other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Inflazyme Financial Statements;

(v) except pursuant to transactions between two or more directly or indirectly wholly-owned subsidiaries of Inflazyme or between a directly or indirectly wholly-owned subsidiary of Inflazyme and Inflazyme, waive, release, grant or transfer any rights of material value;

(vi) enter into a new line of business; or

(vii) authorize any of the foregoing, or enter into or modify any Contract to do any of the foregoing;

(e) Inflazyme will not, and will not permit any of its subsidiaries to, directly or indirectly:

(i) enter into any material Contract, or amend in any material respect, any Material Contract or series of Material Contracts; or

(ii) terminate, cancel or amend in any material respect any Material Contract, where entering into, amending or terminating or cancelling such Material Contract or series of related Material Contracts is Materially Adverse to Inflazyme;

(f) neither Inflazyme nor any of its subsidiaries will, except pursuant to any existing Contracts or Inflazyme Plans in effect on the date hereof and that have been disclosed to Z-Tech, and except as is necessary to comply with applicable Laws:

(i) grant to any senior employee, officer or director of Inflazyme or any of its subsidiaries an increase in compensation in any form;

(ii) grant any general salary increase to the employees of Inflazyme;

(iii) take any action with respect to the grant of any severance or termination or change of control pay or benefits;

(iv) enter into any employment, deferred compensation or other similar agreement or amend any such existing agreement, with any senior employee, officer or director of Inflazyme or any of its subsidiaries;

(v) increase any benefits payable under its current severance or termination or change of control pay policies; or

(vi) adopt or materially amend or make any contribution to any Inflazyme Plan or other similar plan, agreement, trust, fund or arrangement or take any action to accelerate any rights or benefits or fund or secure the payment of compensation or benefits under any Inflazyme Plan, or make any person a beneficiary of any retention or severance plan which would entitle such person to payments, vesting, acceleration or any other right as a consequence of consummation of the transactions contemplated by this Agreement and/or termination of employment;

(g) Inflazyme will not, and will not permit any of its subsidiaries to, voluntarily waive, release, assign, settle or compromise (i) any material proceeding or any material claim or material liability or (ii) any proceeding that is brought by any current, former or purported holder of any securities of Inflazyme in its capacity as such and that (A) requires any payment to such security holders by Inflazyme or any subsidiary or (B) adversely affects in any material respect the ability of Inflazyme and its subsidiaries taken as a whole to conduct their business in a manner consistent with past practice;

(h) Inflazyme will use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Inflazyme or any of its subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder permitted to lapse, unless at the time of such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage comparable to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that none of Inflazyme or any of its subsidiaries will obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months; and

(i) Inflazyme will have discharged such registrations under personal property security legislation as Z-Tech, in its sole discretion, may reasonably request.

4.2 Access to Information

(a) Subject to compliance with applicable Laws and the terms of any existing Contracts, each of the parties will, and will cause its subsidiaries to, afford to the other party and its officers, employees, directors, accountants, counsel, consultants, advisors, agents and other representatives reasonable access, during normal business hours, until the earlier of the Effective Time or the termination of this Agreement, to and the right to inspect, their respective businesses, properties, books and records, including all Contracts and other documents as well as to their respective officers, employees, agents and accountants, subject, however, to such access not significantly interfering with the ordinary conduct of the businesses of Inflazyme and its subsidiaries.

(b) Without limiting the generality of the provisions of the Confidentiality Agreement, each of the parties acknowledges that all information provided to it under Section 4.2(a), or otherwise pursuant to this Agreement or in connection with the transactions contemplated hereby, is subject to the Confidentiality Agreement, which will remain in full force and effect notwithstanding any other provision of this Agreement or any termination of this Agreement. If any provision of this Agreement conflicts or is inconsistent with any provision of the Confidentiality Agreement, the provisions of this Agreement will supersede those of the Confidentiality Agreement but only to the extent of the conflict or inconsistency and all other provisions of the Confidentiality Agreement will remain in full force and effect.

(c) Nothing in this Section 4.2 will require either party or its subsidiaries to disclose information subject to a written confidentiality agreement with a third party or customer specific or competitively sensitive information ("**Confidential Data**"). For greater certainty, until the Effective Date, access to and exchange of Confidential Data as between the parties will be limited to what is reasonably necessary for the purposes of securing all necessary regulatory approvals, the preparation and settlement of definitive documents and the advancement of the Arrangement and will be limited such that the dissemination of Confidential Data will be confined to the representatives of the parties and their counsel who have a need to know such information for such purposes and who agree to respect such confidentiality in their dealings with Confidential Data. In particular, with reference to access to and the sharing of Confidential Data of one party with representatives of the other party for purposes of preparing any filings or submissions in respect of the Appropriate Regulatory Approvals, the general principle which will be applied is that such information will be made available to, exchanged or shared with counsel to the parties rather than the parties or their representatives.

4.3 **Access for Financial Advisor**

Until the Arrangement has been completed or this Agreement has terminated, Inflazyme and Z-Tech will each, and will cause their subsidiaries and their respective management personnel to, allow any financial advisor retained by Inflazyme, Z-Tech or their respective board of directors and such financial advisor's representatives to conduct all due diligence investigations and examinations which the financial advisor may reasonably require, and Inflazyme and Z-Tech will each promptly provide to such financial advisor all information relating to its respective financial condition, results of operation, business, assets, operations or prospects reasonably requested by the financial advisor.

4.4 **Permitted Transactions**

Nothing in this Agreement will restrict the ability of Inflazyme to:

(a) permit any optionee under any option granted pursuant to the Inflazyme Stock Option Plan to exercise such option (including options not otherwise vested or exercisable);

(b) terminate any option granted pursuant to the Inflazyme Stock Option Plan upon payment to the optionee upon the Arrangement becoming effective of an amount not exceeding the fair value of such option (as determined by the board of directors of Inflazyme (having consulted with a financial advisor or obtained other independent financial advice)); and

(c) incur and pay the Arrangement Expenses.

4.5 **Covenants of Inflazyme Regarding the Arrangement**

Subject to the terms and conditions of this Agreement and compliance by the directors and officers of Inflazyme with their fiduciary duties, Inflazyme will, and will cause its subsidiaries to, perform all obligations required or desirable to be performed by Inflazyme under this Agreement, co-operate with Z-Tech in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, Inflazyme will:

(a) use its commercially reasonable efforts to obtain all necessary waivers, consents and approvals required to be obtained by Inflazyme or its subsidiaries in connection with the Arrangement from other parties to the Contracts; notwithstanding anything to the contrary in this Agreement, in connection with obtaining any approval or consent from any person (other than a Governmental Authority) with respect to any transaction contemplated by this Agreement, none of Inflazyme nor any of its subsidiaries will be required to pay or commit to pay to such person whose approval or consent is being solicited any cash or other consideration, make any commitment or incur any liability or other obligation due to such person;

(b) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities from Inflazyme or any of its subsidiaries relating to the Arrangement;

(c) apply for and use its commercially reasonable efforts to obtain all Appropriate Regulatory Approvals relating to Inflazyme or any of its subsidiaries which are typically applied for by an offeree and, in doing so, keep Z-Tech reasonably informed as to the status of the proceedings related to obtaining the Appropriate Regulatory Approvals, including providing Z-Tech with copies of all related applications and notifications, in draft form, in order for Z-Tech to provide its comments thereon; and

(d) defend all lawsuits or other legal, regulatory or other proceedings against Inflazyme challenging or affecting this Agreement or the consummation of the transactions contemplated hereby.

4.6 **Covenants of Z-Tech Regarding the Conduct of Business**

Z-Tech covenants and agrees that, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless Inflazyme otherwise consents in writing (to the extent that such consent is permitted by applicable Law), which consent will not be unreasonably withheld or delayed, or as is otherwise expressly permitted or specifically contemplated by this Agreement and the completion of the transactions contemplated by this Agreement or as is otherwise required by applicable Law:

(a) the business of Z-Tech and its subsidiaries will be conducted only, and Z-Tech and its subsidiaries will not take any action except, in the ordinary course of business as currently conducted or as otherwise required in connection with the Financing or to effect the Arrangement;

(b) subject to the reorganization of its current capital structure that in the view of Z-Tech in its sole discretion is necessary to complete the Financing or the Arrangement, Z-Tech will not, and will not permit any of its subsidiaries to, directly or indirectly:

(i) except in connection with the Arrangement and the Financing, alter or amend the articles, by-laws or other constating documents of Z-Tech or alter or amend the articles, charter, by-laws or other constating documents of any subsidiary of Z-Tech;

(ii) declare, set aside or pay any cash dividend on or make any distribution or payment or return of capital, in property or assets other than, in the case of Z-Tech, consistent with past practice or required under its current articles or as such articles may be amended in connection with effecting the Financing or the Arrangement, and, in the case of any subsidiary directly or indirectly wholly-owned by Z-Tech, any dividends payable to Z-Tech or any other wholly-owned subsidiary of Z-Tech;

(iii) other than as may be required in connection with a refinancing of existing credit facilities, a new bridge credit facility or bridge financing prior to the Effective Time or in connection with employment agreements issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of its subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of its subsidiaries, other than transactions between two or more wholly-owned subsidiaries of Z-Tech or between Z-Tech and a wholly-owned subsidiary;

(iv) adopt a plan or agreement of, or resolutions providing for or authorizing, complete or partial liquidation, dissolution, arrangement or amalgamation of Z-Tech or any of its subsidiaries;

(c) Z-Tech will promptly notify Inflazyme in writing of (i) any circumstance or development that is or would reasonably be expected to be Materially Adverse to Z-Tech or any change in any material fact set forth in the Z-Tech Disclosure Document and (ii) the occurrence of any litigation involving, a property or asset owned or managed by Z-Tech or any of its subsidiaries in excess of $500,000;

(d) Z-Tech will not, and will not permit any of its subsidiaries to, directly or indirectly, except in the ordinary course of business and consistent with past practice:

(i) sell, lease, licence or dispose of any material assets or properties;

(ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or other equity securities or interests or assets or otherwise) any corporation, partnership, association or other business organization or division thereof or any property or asset, or make any investment either by the purchase of securities, contributions of capital, property transfer, or purchase of any property or assets of any other person if any of the foregoing would reasonably be expected to be material to Z-Tech and having an acquisition cost of $1 million or more;

(iii) waive, release, grant or transfer any rights of material value;

(iv) enter into a new line of business; or

(v) authorize any of the foregoing, or enter into or modify any Contract to do any of the foregoing;

(e) Other than in connection with the Financing or to otherwise effect the Arrangement, Z-Tech will not, and will not permit any of its subsidiaries to, directly or indirectly, except in the ordinary course of business terminate, cancel or amend in any material respect any Z-Tech Material Contract, where entering into, amending or terminating or cancelling such Z-Tech Material Contract or series of related Z-Tech Material Contracts is Materially Adverse to Z-Tech; or

(f) Z-Tech will not, and will not permit any of its subsidiaries to, voluntarily waive, release, assign, settle or compromise any material proceeding or any material claim or material liability that adversely affects in any material respect the ability of Z-Tech and its subsidiaries taken as a whole to conduct their business in a manner consistent with past practice.

4.7 Covenants of Z-Tech Regarding the Performance of Obligations

Z-Tech will perform all obligations required or desirable to be performed by Z-Tech under this Agreement, co-operate with Inflazyme in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, Z-Tech will:

(a) cooperate with Inflazyme and its subsidiaries in connection with, and use its commercially reasonable efforts to assist Inflazyme and its subsidiaries in obtaining the waivers, consents and approvals referred to in Section 4.5(a). Notwithstanding anything to the contrary in this Agreement, in connection with obtaining any approval or consent from any person (other than a Governmental Authority) with respect to any transaction contemplated by this Agreement, neither Z-Tech nor Inflazyme will be required to pay or commit to pay to such person whose approval or consent is being solicited any cash or other consideration, make any commitment or to incur any liability or other obligations.

(b) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities from Z-Tech or any of their subsidiaries relating to the Arrangement;

(c) apply for and use its commercially reasonable efforts to obtain all Appropriate Regulatory Approvals relating to Z-Tech or any of Z-Tech's subsidiaries and relating to Inflazyme or any of Inflazyme's subsidiaries which are typically applied for by an offeror and, in doing so, keep Inflazyme reasonably informed as to the status of the proceedings related to obtaining the Appropriate Regulatory Approvals, including providing Inflazyme with copies of all related applications and notifications in draft form, in order for Inflazyme to provide its comments thereon; and

(d) defend all lawsuits or other legal, regulatory or other proceedings against Z-Tech challenging or affecting this Agreement or the consummation of the transactions contemplated hereby.

4.8 **Mutual Covenants**

Each of the parties covenants and agrees that, subject to the terms and conditions of this Agreement and compliance by the directors and officers of the parties with their fiduciary duties, except as contemplated in this Agreement, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms it will, and it will cause its subsidiaries to:

(a) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 7 to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable and commercially reasonable to permit the completion of the transactions contemplated by this Agreement in accordance with its obligations under this Agreement, the Plan of Arrangement and the Legislation and cooperate with the other parties in connection therewith, including using its commercially reasonable efforts to: (i) obtain all Appropriate Regulatory Approvals required to be obtained by it; (ii) effect or cause to be effected all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement; (iii) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Arrangement; and

(iv) co-operate with the other party in connection with the performance by it of its obligations hereunder;

(b) not knowingly take or cause to be taken any action which would reasonably be expected to prevent or materially delay or significantly impede the consummation of the transactions contemplated hereby;

(c) take all action within its control to ensure that the representations and warranties in Section 3.1, in the case of Inflazyme, and Section 3.2, in the case of Z-Tech, remain true and correct as of the Effective Date (or in the case of such representations and warranties which refer to another date, remain true and correct as at such date) as if such representations and warranties were made at and as of such date;

(d) both before and after the Effective Date, use its commercially reasonable efforts to execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of the other party's legal counsel to permit the completion of the Arrangement;

(e) use commercially reasonable efforts to deliver the Voting Agreement prior to the mailing of the Circular by Inflazyme; and

(f) hold each of the Inflazyme Meeting and the Z-Tech Meeting in material compliance with applicable Laws.

4.9 Insurance and Indemnification

(a) Z-Tech will, or will cause Inflazyme and its subsidiaries to, maintain in effect without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the protection provided by the policies maintained by Inflazyme and its subsidiaries which are in effect immediately prior to the Effective Time and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time.

(b) Z-Tech agrees that it will directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Inflazyme and its subsidiaries (the "**Indemnified Parties**"); however, the Indemnified Parties or any of them may not bring an action with respect to such indemnification or exculpation after a period of not less than six years from the Effective Time.

(c) The parties hereto agree that the indemnification provisions are as set out in Schedule D.

(d) The provisions of this Section 4.9 are intended for the benefit of, and will be enforceable by, each insured or indemnified person, his or her heirs and his or her legal representatives and, for such purpose, Inflazyme hereby confirms that it is acting as agent and trustee on their behalf.

ARTICLE 5
ADDITIONAL AGREEMENTS

5.1 Non-Solicitation.

(a) Cease Solicitation

Inflazyme will, and will direct and cause its officers, directors, employees, agents, financial and legal advisors, accountants and other representatives (collectively, the "**Representatives**") and its subsidiaries and their Representatives to immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by Inflazyme and in connection therewith, Inflazyme will request (and exercise all rights it has to require) the return of information regarding Inflazyme and its subsidiaries previously provided to such parties and will request (and exercise all rights it has to require) the destruction of all materials including or incorporating any confidential information regarding Inflazyme and its subsidiaries.

(b) No Solicitation

Subject to Section 5.1(d) and 5.2, Inflazyme will not, and will not authorize or permit any of its subsidiaries or any of its or its subsidiaries' Representatives, directly or indirectly, to (i) solicit, initiate, encourage or facilitate, including by way of furnishing information or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding an Acquisition Proposal, (ii) participate in any discussions or negotiations regarding any Acquisition Proposal, (iii) withdraw, modify, qualify or change in a manner adverse to Z-Tech, or publicly propose to withdraw, modify, qualify or change in a manner adverse to Z-Tech the approval, recommendation or declaration of advisability of the board of directors of Inflazyme of the transactions contemplated hereby (it being understood that failing to affirm the approval or recommendation of the board of directors of Inflazyme of the transactions contemplated hereby after an Acquisition Proposal has been publicly announced will be considered an adverse modification), (iv) approve or recommend any Acquisition Proposal, or (v) enter into any agreement, arrangement or understanding related to any Acquisition Proposal or requiring Inflazyme to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any person in the event that Inflazyme or any of its subsidiaries completes the transactions contemplated hereby or any other transaction with Z-Tech agreed to prior to any termination of this Agreement.

(c) Release from Standstill

Inflazyme will not, and will not authorize or permit any of its subsidiaries or any of its or their Representatives, directly or indirectly, to release any third party from any confidentiality agreement or standstill agreement or standstill provisions in any confidentiality agreement that Inflazyme entered into prior to the date hereof with any person.

(d) **Superior Proposal**

Notwithstanding Section 5.1(b) and any other provisions of this Agreement, the board of directors of Inflazyme may, prior to the approval of the Arrangement by the Inflazyme Securityholders, consider, participate in any discussions or negotiations with, or provide information in accordance with the last sentence of this paragraph to, any person who has delivered a bona fide written Acquisition Proposal which was not solicited or encouraged after the date of this Agreement and did not otherwise result from a breach of this Section or breach Section 5.2 and that the board of directors of Inflazyme determines in good faith (after, among other things, consultation, to the extent considered appropriate by the board of directors of Inflazyme, with a financial advisor), is a Superior Proposal; provided, however, that prior to taking any such action, Inflazyme must obtain a confidentiality and standstill agreement from the person making such Acquisition Proposal that is substantively the same as the Confidentiality Agreement, and on terms no more favourable to such person than the Confidentiality Agreement; provided further that Inflazyme will not commence or participate in discussions or negotiations with, or provide information to any person who has delivered an unsolicited bona fide written Acquisition Proposal until 48 hours after Inflazyme will have advised Z-Tech of its determination that such Acquisition Proposal would, if completed, constitute a Superior Proposal and of its intention to take such actions. Inflazyme will not consider, negotiate, accept, approve or recommend an Acquisition Proposal or provide information to any person proposing an Acquisition Proposal, in each case after the date of the approval of the Arrangement by the Inflazyme Securityholders. If Inflazyme receives a request for material non-public information from a person who has made an unsolicited bona fide written Acquisition Proposal and Inflazyme is permitted by the terms of this Section to negotiate the terms of such Acquisition Proposal, then, and only in such case, the board of directors of Inflazyme may, subject to the execution by such person of the confidentiality and standstill agreement as described above, provide such person with access to information regarding Inflazyme; provided that Inflazyme sends a copy of any such confidentiality agreement with names redacted to Z-Tech promptly upon its execution and Z-Tech is provided with a list of, and copies of, the information provided to such person and is immediately provided with access to similar information as that which such person was provided.

(e) **Notification to Z-Tech**

From and after the date of this Agreement, Inflazyme will promptly (and in any event within 24 hours) notify Z-Tech, at first orally and then in writing, of any inquiries, proposals or offers (whether or not relating to or constituting an Acquisition Proposal) or any request for non-public information relating to Inflazyme or any of its subsidiaries. Such notice will include a description of the terms and conditions of any proposal, inquiry or offer and provide such other details of the proposal, inquiry or offer as Z-Tech may reasonably request. Inflazyme will not be required to disclose to Z-Tech and may keep as confidential, the identity of the person making such proposal, inquiry or offer. Inflazyme will keep Z-Tech fully informed on a prompt basis of the status, including any change to the material terms, of any such inquiry, proposal or offer.

(f) **Withdrawal of Approval**

Nothing contained in Section 5.1(b) or 5.1(d) will prohibit the board of directors of Inflazyme from withdrawing, modifying, qualifying or changing its recommendation to the Inflazyme Securityholders in respect of the transactions contemplated hereby prior to the approval of the Arrangement by the Inflazyme Securityholders, if the board of directors of Inflazyme determines, in good faith (after receiving written advice of outside counsel) that such withdrawal, modification, qualification or change is necessary for the board of directors of Inflazyme to act in a manner consistent with its fiduciary duties or applicable Laws; provided that (i) not less than 48 hours before the board of directors of Inflazyme considers any proposal in respect of any such withdrawal, modification, qualification or change, Inflazyme will give Z-Tech written notice of such proposal and promptly advise Z-Tech of the proposed consideration of such proposal, including a summary of the reasons for the proposal withdrawal, modification, qualification or change and all other materials that are not subject to confidential obligations or solicitor client privilege to be presented to the board of directors of Inflazyme in respect of its consideration of such proposal, and (ii) the foregoing will not relieve Inflazyme from its obligation to proceed to call and hold the Inflazyme Meeting and to hold the vote on the Arrangement Resolution, except in circumstances where this Agreement is terminated in accordance with the terms hereof.

(g) **Awareness of Representatives**

Inflazyme will ensure that its officers, directors and employees and its subsidiaries and their officers, directors and employees and any financial advisors or other advisors or representatives retained by it are aware of the provisions of this Article 5, and it will be responsible for any breach of this Article 5 by such officers, directors, employees, financial advisors or other advisors or representatives.

5.2 **Right to Accept a Superior Proposal and Right to Match**

(a) **Accepting a Superior Proposal**

If Inflazyme has complied with Section 5.1 with respect thereto, Inflazyme may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal prior to the approval of the Arrangement by the Inflazyme Securityholders and terminate this Agreement if, and only if (with the exception of a confidentiality agreement the execution of which will not be subject to the conditions of this Section 5.2): (i) Inflazyme has provided Z-Tech with a copy of the Superior Proposal document, (ii) four Business Days will have elapsed from the later of (A) the date Z-Tech received written notice (a “**Section 5.2 Notice**”) advising Z-Tech that Inflazyme’s board of directors has resolved, subject only to compliance with this Section 5.2, to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal, specifying the terms and conditions of such Superior Proposal, and (B) the date Z-Tech received a copy of such Superior Proposal with the name of the party providing the Superior Proposal redacted, (iii) Inflazyme’s board of directors has determined in good faith that it is necessary for the board of directors of Inflazyme to take such action in order to discharge properly its fiduciary duties and thereby withdrawing or modifying its approval or recommendation of this Agreement and approving or recommending such Superior Proposal, (iv) such Superior Proposal does not provide for the payment of any break, termination or other fees or expenses to the other party in the event that Inflazyme or any of its subsidiaries completes the transactions contemplated by this Agreement or any similar other transaction with Z-Tech agreed to prior to any termination of this Agreement, (v) taking into account any revised proposal made by Z-Tech since receipt of the Section 5.2 Notice, such Superior Proposal remains a Superior Proposal and the Inflazyme board of directors has again made the determinations referred to in this Section 5.2(a) and (vi) Inflazyme has previously or concurrently will have paid to Z-Tech the termination fee, if any, payable under Section 5.3. In the event that Inflazyme provides Z-Tech with a Section 5.2 Notice on a date that is less than four Business Days prior to the Inflazyme Meeting, Inflazyme will adjourn the Inflazyme Meeting (without notice on the Arrangement or any related matters) to a date that is not less than five Business Days and not more than 10 Business Days after the date of the Section 5.2 Notice.

(b) **Right to Match**

During the four Business Day period referred to in Section 5.2(a)(ii), Inflazyme agrees that Z-Tech will have the right, but not the obligation, to offer to amend the terms of this Agreement. The board of directors of Inflazyme will review any proposal by such parties to amend the terms of this Agreement in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the amended proposal upon acceptance by Inflazyme would result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of Inflazyme so determines, it will enter into an amended agreement with Z-Tech reflecting the amended proposal. If the board of directors of Inflazyme continues to believe, in good faith (after, among other things, consultation, to the extent considered appropriate by the board of directors of Inflazyme with a financial advisor, that such Superior Proposal remains a Superior Proposal and therefore rejects the amended proposal, Inflazyme may, on termination of this Agreement in accordance with Section 6.1 and payment of the termination fee as required pursuant to Section 5.3, accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal.

(c) **New Acquisition Proposals**

Inflazyme also acknowledges and agrees that each successive material modification of any Acquisition Proposal will constitute a new Acquisition Proposal for purposes of Section5.1 and the requirement under clause (ii) of Section 5.2(a) to initiate an additional four Business Day notice period.

5.3 **Payments to Z-Tech.**

If at any time after the execution of this Agreement:

(a) Z-Tech terminates this Agreement pursuant to Sections 6.1(d) or 6.1(e);

(b) Z-Tech terminates this Agreement pursuant to Section 6.1(b) if:

(i) the board of directors of Inflazyme will have failed to recommend approval of the Arrangement or withdrawn or modified or changed in a manner adverse to Z-Tech its approval or recommendation of the Arrangement or has failed to publicly reaffirm its support after another Acquisition Proposal has been announced or Z-Tech has asked them to make such reaffirmation; or

(ii) through the fault of Inflazyme (whether by commission or omission) the Arrangement is not, at least seven days prior to the Outside Date, submitted for the approval of the Inflazyme Securityholders at the Inflazyme Meeting;

(c) either Inflazyme or Z-Tech terminates this Agreement pursuant to Section 6.1(b)(ii) in circumstances where the Arrangement has not been approved at the Inflazyme Meeting, and:

(i) (A) a bona fide written Acquisition Proposal has been made and publicly announced by any person (the "**Acquisition Proposal Offeror**") other than Z-Tech after the date hereof and prior to the Inflazyme Meeting and not withdrawn at least five days prior to the vote of the Inflazyme Securityholders on the Arrangement Resolution; and (B) Inflazyme consummates an Acquisition Proposal with the Acquisition Proposal Offeror, or a person acting jointly or in concert with the Acquisition Proposal Offeror (within the meaning of that expression as used in the Legislation), prior to the expiration of 180 days following the termination of this Agreement, or enters into a definitive agreement with respect to an Acquisition Proposal with the Acquisition Proposal Offeror, or a person acting jointly or in concert with the Acquisition Proposal Offeror, prior to the expiration of 180 days following the termination of this Agreement, and thereafter consummates such Acquisition Proposal and the Acquisition Proposal referred to in this Section 5.3(c)(i)(B) does not need to be the Acquisition Proposal referred to in 5.3(c)(i)(A); or

(ii) a person other than Z-Tech has acquired 33⅓% or more of the Common Shares and has publicly announced that they intend to influence control or make an Acquisition Proposal; or

(d) Inflazyme terminates this Agreement pursuant to Section 6.1(c);

then in any such case Inflazyme will pay to Z-Tech (or as it may direct) $300,000 in immediately available funds. Such payment will be due (i) in the case of a termination specified in Section 5.3(a) or (b), at the time of termination of this Agreement, (ii) in the case of a termination specified in Section 5.3(b), within five business days after written notice of termination by Z-Tech or (iii) in the case of a termination specified in Section 5.3(c)(i), on the day of the consummation of the transaction referred to therein or with respect to Section 5.3(c)(ii), within five business days of such public announcement. Inflazyme will not be obligated to make more than one payment pursuant to this Section 5.3.

5.4 **Effect of Payments.**

(a) Each party acknowledges that all of the payment amounts set out in this Article 5 and Section 6.2 are payments of liquidated damages which are a genuine pre-estimate of the damages which the party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each party irrevocably waives any right that it may have to raise as a defence that any such liquidated damages are excessive or punitive.

(b) For greater certainty, the parties agree that the payment of an amount pursuant to this Article 5 is the sole monetary remedy of Z-Tech and that the payment of an amount pursuant to Section 6.2 is the sole monetary remedy for Inflazyme.

(c) Nothing contained herein will preclude the other party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any such acts, covenants or agreements.

ARTICLE 6
TERMINATION AND AMENDMENT OF AGREEMENT

6.1 Termination.

This Agreement may be terminated at any time before the Effective Time:

(a) by agreement in writing executed by Z-Tech and Inflazyme;

(b) by either Inflazyme or Z-Tech, upon notice by either one to the other:

(i) if the Effective Date does not occur on or before the Outside Date;

(ii) if the Inflazyme Meeting is held and the Arrangement Resolution is not approved by the Inflazyme Securityholders in accordance with applicable Legislation; or

(iii) if any Law makes the consummation of the Arrangement or the transactions contemplated by this Agreement illegal or otherwise prohibited, and such Law has become final and non-appealable;

(c) by Inflazyme upon notice to Z-Tech at any time after the Section 5.2 Notice in respect of any Superior Proposal, subject to the payment by Inflazyme (if applicable) of the amount payable to Z-Tech under Section 5.3;

(d) by Z-Tech if there is an intentional, wilful or deliberate breach of the covenants in Section 5.1 or 5.2 by Inflazyme, and of its subsidiaries or any of their respective Representatives;

(e) by Z-Tech if Inflazyme has wilfully breached its representations, warranties and covenants and the breach would give rise to the failure of a condition in favour of Z-Tech;

(f) by either party if either party determines at any time prior to the Effective Date that the Financing is not likely to be completed; or

(g) by either Inflazyme or Z-Tech, upon notice by either one to the other, if the Z-Tech Meeting is held and the Arrangement Resolution is not approved by the Z-Tech Securityholders in accordance with applicable Legislation.

6.2 **Void upon Termination.**

(a) If this Agreement is terminated, it will, except as provided in Sections 5.3, 5.4, and this Section 6.2 and except for obligations of confidentiality in Sections 4.2 and 5.2, become void and of no force and effect and no party will have any liability or further obligation to the other party hereunder, provided that neither the termination of this Agreement nor anything contained in Sections 5.3, 5.4 or this Section 6.2 will relieve any party from any liability for any wilful breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants and agreements made herein.

(b) Notwithstanding anything to the contrary in this Agreement, including this Section 6.2, if Z-Tech fails to effect the Arrangement in breach of this Agreement, or otherwise is in breach of this Agreement, then the aggregate liability of Z-Tech and any of their respective former, current and future direct or indirect equity holders, controlling persons, shareholders, directors, officers, employees, agents, affiliates, managers, general or limited partners or assignees shall be limited to the amount of $300,000, and none of such persons shall have any further liability or obligation relating to or arising out of this Agreement or the transactions contemplated hereby.

(c) If the Arrangement does not close or is not effected because a condition precedent set out in Article 7 is not met or waived by the relevant party or parties, as the case may be, then this Agreement will be void and of no force and effect and no party will have any liability or any further obligation to the other party.

6.3 **Notice of Unfulfilled Conditions**

(a) If either Inflazyme, on the one hand, or Z-Tech, on the other hand, determines at any time prior to the Effective Date that it intends to refuse to complete the transactions contemplated hereby because of any unfilled or unperformed condition contained in this Agreement, such party will so notify the other party forthwith upon making such determination in order that the other party will have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Outside Date.

(b) Prior to the Outside Date, neither Inflazyme nor Z-Tech may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Article 7 or exercise any termination right arising therefrom and no payments will be payable as a result of such election pursuant to Section 5.3 unless forthwith and in any event prior to the Effective Date for the purpose of giving effect to the

Arrangement, the party intending to rely thereon has given a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party giving such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be.

(c) If any such notice is given, other than in respect of a termination under Section 6.1(f), provided that the other party is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the party giving such notice may not terminate this Agreement as a result thereof until the later of the Outside Date and the expiration of a period of 30 days from such notice.

(d) If such notice has been given prior to the date of either the Inflazyme Meeting and the Z-Tech Meeting, such meetings, unless the parties otherwise agree, will be postponed or adjourned and will not be held until such time as is reasonably practicable after the earlier of:

(i) the matter to which the notice relates being cured; and

(ii) the expiry of such period.

(e) If such notice has been given prior to the making of application for the Final Order, such application will be postponed and will not be made until such time as is reasonably practicable after the earlier of:

(i) the matter to which the notice relates being cured; and

(ii) the expiry of such period.

If such matter is cured within the time period referred to herein, the Agreement may not be terminated as a result thereof.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 Mutual Conditions Precedent

The respective obligations of the parties hereto to complete the Arrangement are subject to the satisfaction of, or mutual waiver by Z-Tech and Inflazyme on or before the Effective Date of each of the following conditions, which are for the mutual benefit of Z-Tech and Inflazyme and which may be waived, in whole or in part, by Z-Tech and Inflazyme at any time:

(a) the Interim Order will have been obtained in form and substance satisfactory to each of Z-Tech and Inflazyme, acting reasonably and such Interim Order will not have been set aside or modified in any manner unacceptable to either Z-Tech or Inflazyme, each acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution will have been approved by the Inflazyme Securityholders at the Inflazyme Meeting in accordance with the Interim Order and the applicable Legislation;

(c) the Continuance will have been approved by Z-Tech Shareholders in accordance with applicable Law and the time period for the exercise of Continuance Dissent Rights in respect of the Continuance will have expired and the Z-Tech Shareholders will not have exercised (and not abandoned) such Dissent Rights with respect to greater than 5% in aggregate of the number of outstanding Z-Tech Common Shares and Z-Tech Preferred Shares;

(d) the Arrangement Resolution will have been approved by the Z-Tech Securityholders at the Z-Tech Meeting in accordance with the Interim Order and the applicable Legislation;

(e) the Final Order will have been obtained in form and substance satisfactory to each of Z-Tech and Inflazyme, acting reasonably and will not have been set aside or modified in any manner unacceptable to either Z-Tech or Inflazyme, acting reasonably, on appeal or otherwise;

(f) the Financing shall be completed prior to the completion of the Arrangement and the proceeds of the Financing shall be available to Newco without condition;

(g) the holders of Z-Tech Debentures will have converted the Z-Tech Debentures plus accrued interest into Z-Tech Common Shares, Z-Tech Class A Shares or Z-Tech Class B Shares, as applicable, and all holders of Z-Tech Class A Shares and Z-Tech Class B Shares, including those issuable in respect of the Z-Tech Debentures, will have converted such shares and accumulated dividends, if any, into Z-Tech Common Shares;

(h) all waivers, consents, permits and approvals, releases, licences, authorizations or orders of any Governmental Authority or any other person, and the expiry of any waiting periods, that are necessary in connection with, or required to permit, the completion of the Arrangement, the failure of which to obtain or the non-expiry of which would be Materially Adverse to Inflazyme or would significantly impede the completion of the Arrangement, will have been obtained or received on terms that will not be Materially Adverse to Inflazyme and which are satisfactory to each of Inflazyme and Z-Tech, acting reasonably;

(i) the time period for the exercise of Dissent Rights conferred upon the Common Shareholders and Z-Tech Shareholders in respect of the Arrangement will have expired and the Common Shareholders and Z-Tech Shareholders will not have exercised (and not abandoned) such Dissent Rights with respect to greater than 5% of the number of outstanding Common Shares, in the case of Inflazyme and greater than 5%, in aggregate, of the number of outstanding Z-Tech Shares and Z-Tech Preferred Shares, in the case of Z-Tech;

(j) no Law will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no action or proceeding will otherwise have been taken under any Laws or by any Governmental Authority (whether temporary, preliminary or permanent):

   (i) that makes the Arrangement illegal or otherwise directly or indirectly cease trades, enjoins, restrains or otherwise prohibits consummation of the Arrangement or the transactions contemplated herein;

   (ii) seeking to prohibit or limit the ownership by the Common Shareholders or the Z-Tech Securityholders of the Newco Shares or Newco Warrants or to compel the Common Shareholders or the Z-Tech Securityholders to dispose of or hold separate any of the Newco Shares or Newco Warrants or any portion of the business or assets of Newco, as a result of the Arrangement or seeking to impose limitations on the ability of the Common Shareholders or Z-Tech Securityholders to hold or exercise full rights of ownership of, any of the Newco Shares or Newco Warrants, including the right to vote the Newco Shares acquired by them or imposing any condition or limitation that in the judgment of Z-Tech or Inflazyme, acting reasonably, would be burdensome to the future operations or business of Newco, Z-Tech and Inflazyme after the Effective Date;

(k) no person will have filed any notice of appeal of the Final Order, and no person will have communicated to Inflazyme or Z-Tech (orally or in writing) any intention to appeal the Final Order which, in the reasonable opinion of Z-Tech or Inflazyme (on the advice of legal counsel), would make it inadvisable to proceed with the implementation of the Arrangement;

(l) any waivers, consents, permits, approvals, releases, licences or authorizations under or pursuant to any Material Contract which is necessary in connection with, or required to permit, the completion of the Arrangement, the failure to obtain which would be Materially Adverse to Inflazyme or which would significantly impede the completion of the Arrangement, will have been obtained or received on terms that will not be Materially Adverse to Inflazyme and which are satisfactory to each of Inflazyme and Z-Tech, acting reasonably;

(m) Inflazyme will have surrendered to Newco, for cancellation, the initial Newco Share that was issued to Inflazyme upon the incorporation of Newco, without consideration.

(n) Newco will have furnished Z-Tech and Inflazyme with an opinion of legal counsel to Newco, dated the Effective Date, to the effect that (i) Newco is a corporation incorporated and existing under the CBCA and has the corporate power and capacity to enter into this Agreement and perform its obligations hereunder; (ii) all necessary corporate actions of Newco have been taken to authorize this Agreement and the Arrangement and the transactions contemplated herein and under the Plan of Arrangement, including the performance by Newco of its obligations hereunder and under the Plan of Arrangement and the execution and delivery by Newco of this Agreement; (iii) the execution and delivery by Newco of this Agreement, the performance by Newco of its obligations hereunder and the completion of the transactions contemplated herein will not (A) result in a breach of or contravene any term or provision of the constating documents of Newco or (B) contravene any provision of Law or administrative regulation or, in each case as known to counsel for Newco, without special enquiry, any judicial or administrative order, award, judgement or decree applicable to Newco; (iv) this Agreement has been duly executed and delivered by Newco and this Agreement is valid, and binding on Newco and enforceable against it in accordance with its respective terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and the availability of equitable remedies; in form and substance acceptable to Newco and its legal counsel, acting reasonably; and

(o) this Agreement will not have been terminated pursuant to Article 6.

7.2 **Additional Conditions Precedent to the Obligations of Inflazyme**

The obligation of Inflazyme to complete the Arrangement will be subject to the satisfaction of, or waiver by Inflazyme, on or before the Effective Date or such earlier date stipulated of the following conditions, each of which is for the exclusive benefit of Inflazyme and which may be waived by Inflazyme at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Inflazyme may have:

(a) Z-Tech will have complied in all material respects with its obligations, covenants and agreements in this Agreement to be performed and complied with on or before the Effective Date and will not be in material default of any covenant contained herein except (i) as affected by transactions, changes, conditions, events or occurrences contemplated or permitted by this Agreement, or (ii) if the failure to comply with such obligations, covenants and agreements or such default of any such covenant would not significantly impede the completion of the Arrangement;

(b) the representations and warranties of Z-Tech in Section 3.2 will be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct in all material respects as of that date) and except (i) as affected by transactions, changes, conditions, events or circumstances contemplated or permitted by this Agreement; or (ii) for breaches of representations and warranties which individually or in the aggregate would not significantly impede the completion of the Arrangement;

(c) Inflazyme will have received a certificate of Z-Tech, signed by a senior officer of Z-Tech and dated the Effective Date certifying that the conditions set out in Section 7.2(a) and (b) have been satisfied (provided that Z-Tech will not have any actual knowledge to the contrary), which certificate will cease to have any force and effect after the Effective Time;

(d) Z-Tech will have furnished Inflazyme with an opinion of legal counsel to Z-Tech, dated the Effective Date, to the effect that (i) Z-Tech is a corporation incorporated and existing under the OBCA and has the corporate power and capacity to enter into this Agreement and perform its obligations hereunder; (ii) all necessary corporate actions of Z-Tech have been taken to authorize this Agreement and the Arrangement and the transactions contemplated herein and under the Plan of Arrangement, including the performance by Z-Tech of its obligations hereunder and under the Plan of Arrangement and the execution and delivery by Z-Tech of this Agreement; (iii) the execution and delivery by Z-Tech of this Agreement, the performance by Z-Tech of its obligations hereunder and the completion of the transactions contemplated herein will not (A) result in a breach of or contravene any term or provision of the constating documents of Z-Tech or (B) contravene any provision of Law or administrative regulation or, in each case as known to counsel for Z-Tech, without special enquiry, any judicial or administrative order, award, judgement or decree applicable to Z-Tech; (iv) this Agreement has been duly executed and delivered by Z-Tech and this Agreement is valid, and binding on Z-Tech and enforceable against them in accordance with their respective terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and the availability of equitable remedies; in form and substance acceptable to Inflazyme and its legal counsel, acting reasonably; provided that, for greater certainty, Inflazyme agrees that such legal opinion will not be required to include any opinion regarding the outstanding share capital of Z-Tech, or any of the properties or assets of Z-Tech or any of its subsidiaries or any Material Contract by which Z-Tech or any of its subsidiaries is bound or to which any of their properties are subject; and

(e) there will not exist or have occurred (or been threatened) any change (or any condition, event or development involving a prospective change) which, individually or in the aggregate, has or is reasonably likely to have a Materially Adverse effect on Z-Tech.

7.3 **Additional Conditions Precedent to the Obligations of Z-Tech**

The obligation of Z-Tech to complete the Arrangement will be subject to the satisfaction of, or waiver by Z-Tech on or before the Effective Date or such earlier date stipulated of the following conditions, each of which is for the exclusive benefit of Z-Tech and which may be waived by Z-Tech at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Z-Tech may have:

(a) Inflazyme will have complied in all material respects with its obligations, covenants and agreements in this Agreement to be performed and complied with on or before the Effective Date and will not be in material default of any covenant contained herein except (i) as affected by transactions, changes, conditions, events or occurrences contemplated or permitted by this Agreement, or (ii) if the failure to comply with such obligations, covenants and agreements or such default of any such covenant would not significantly impede the completion of the Arrangement;

(b) the representations and warranties of Inflazyme in Section 3.1 will be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct in all material respects as of that date) and except (i) as affected by transactions, changes, conditions, events or circumstances contemplated or permitted by this Agreement; or (ii) for breaches of representations and warranties which individually or in the aggregate would not significantly impede the completion of the Arrangement;

(c) Z-Tech will have received a certificate of Inflazyme signed by a senior officer of Inflazyme and dated the Effective Date certifying that the conditions set out in Sections 7.3(a) and (b) have been satisfied (provided that Inflazyme will not have any actual knowledge to the contrary) which certificate will cease to have any force and effect after the Effective Time;

(d) Inflazyme will have furnished Z-Tech with an opinion of legal counsel to Inflazyme dated the Effective Date to the effect that (i) Inflazyme is a corporation incorporated and existing under the BCBCA and has the corporate power and capacity to enter into this Agreement and perform its obligations hereunder; (ii) all necessary corporate actions of Inflazyme have been taken to authorize this Agreement and the Arrangement and the transactions contemplated herein, including the performance by Inflazyme of its obligations hereunder and the execution and delivery by Inflazyme of this Agreement; (iii) the execution and delivery by Inflazyme of this Agreement, the performance by Inflazyme of its obligations hereunder and the completion of the transactions contemplated herein will not (A) result in a breach of or contravene any term or provision of the articles or by-laws of Inflazyme or (B) contravene any provision of law or administrative regulation or, in each case as known to counsel for Inflazyme, without special enquiry, any judicial or administrative order, award, judgement or decree applicable to Inflazyme; (iv) this Agreement has been duly executed and delivered by Inflazyme and this Agreement is valid and binding on

Inflazyme and enforceable against it in accordance with its respective terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and the availability of equitable remedies in form and substance acceptable to Z-Tech and its legal counsel, acting reasonably;

(e) there will not exist or have occurred (or been threatened) any change (or any condition, event or development involving a prospective change) which, individually or in the aggregate, has or is reasonably likely to have a Materially Adverse effect on Inflazyme;

(f) each of the directors and officers of Inflazyme and Newco (other than any directors or officers of Inflazyme or Newco, as applicable who are to continue as directors following completion of the Arrangement) will have provided their written resignation as directors of Inflazyme effective on or before the Effective Date;

(g) Z-Tech Securityholders will have approved such other matters required to effect the Financing or the Arrangement as may be brought before the Z-Tech Securityholders by the board of directors of Z-Tech as determined in their sole discretion;

(h) MMV Financial Inc. shall have consented to Z-Tech's participation in the Arrangement;

(i) Inflazyme will prepare and file all Returns and pay all applicable Taxes required under applicable Legislation for all previous fiscal years, including the fiscal year ended March 31, 2007;

(j) Inflazyme will have obtained such other consents or approvals as may be reasonably requested by Z-Tech in its sole discretion;

(k) Inflazyme will have disposed of all of its Hazardous Substances in compliance with applicable Environmental Laws and shall have received certification evidencing that such Hazardous Substances have been disposed of; and

(l) Inflazyme shall have minimum Free Cash of not less than $2,500,000.

ARTICLE 8
GENERAL

8.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

(a) if to Z-Tech, to it at:

Z-Tech (Canada) Inc.
2 Berkeley Street

Suite 310
Toronto, ON M5A 4J5

Attention: Brian Fielding
Facsimile No.: 416 421 8180
E-mail: brian.fielding@z-techinc.com

with a copy (which will not constitute notice) to:

McCarthy Tétrault LLP
Suite 4700, Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6

Attention: Vanessa Grant
Facsimile No.: 416 868 0673
E-mail: vgrant@mccarthy.ca

(b) if to Inflazyme, to it at:

Inflazyme Pharmaceuticals Ltd.
Suite 425
5600 Parkwood Way
Richmond, British Columbia
V6V 2M2

Attention: Michael Liggett
Facsimile No.: 604 279 8711
E-mail: mliggett@inflazyme.com

with a copy (which will not constitute notice) to:

Heenan Blaikie LLP
1055 West Hastings Street
Suite 2200
Vancouver, British Columbia
V6E 2E9

Attention: Catherine Wade
Facsimile No.: 604 669.5101
E-mail: cwade@heenan.ca

(c) if to Newco, to it at:

Heenan Blaikie LLP
1055 West Hastings Street
Suite 2200

Vancouver, British Columbia
V6E 2E9

Attention: Catherine Wade
Facsimile No.: 604 669.5101
E-mail: cwade@heenan.ca

with a copy (which will constitute notice) to:

Inflazyme Pharmaceuticals Ltd.
Suite 425
5600 Parkwood Way
Richmond, British Columbia
V6V 2M2

Attention: Michael Liggett
Facsimile No.: 604 279 8711
E-mail: mliggett@inflazyme.com

with a copy (which will constitute notice) to:

Z-Tech (Canada) Inc.
2 Berkeley Street
Suite 310
Toronto, ON M5A 4J5

Attention: Brian Fielding
Facsimile No.: 416 421 8180
E-mail: brian.fielding@z-techinc.com

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

8.2 **Fees and Expenses**

Each party hereto will be responsible for and bear all of its own costs and expenses incurred at any time in connection with entering into this Agreement and completing the Arrangement and the other transactions contemplated herein, including legal fees, accounting fees, financial advisory fees and all disbursements by advisors.

8.3 **No Assignment**

Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any party hereto, in whole or in part (whether by operation of law or otherwise).

8.4 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the successors (including any successor by reason of amalgamation or statutory arrangement) of the parties.

8.5 **Time of Essence**

Except as otherwise expressly provided in this Agreement, time is of the essence of this Agreement, both in respect of the dates and periods mentioned and in respect of any dates or periods which may be substituted for them in accordance with the provisions of this Agreement or by agreement in writing between the parties.

8.6 **Public Announcements**

Z-Tech and Inflazyme will consult with each other as to the general nature of any press release, public announcement or public statement with respect to this Agreement or the Arrangement or any filing with any Governmental Authority with respect to this Agreement or the Arrangement and, subject to applicable Laws, will not issue any press release, public announcement or public statement, or make any filing with any Governmental Authority, inconsistent with the results of such consultation. Subject to applicable Laws, neither Z-Tech nor Inflazyme will make any press release, public announcement or public statement, or make any filing with any Governmental Authority, about this Agreement, the Arrangement and the transactions contemplated herein which has not been previously approved by the other, except that either Z-Tech or Inflazyme may make a press release or filing with a regulatory authority if such press release or filing is required under applicable Laws (in which case such party will first make a reasonable effort to obtain such approval and to enable the other party to review and comment on such press release or filing it proposes to issue or make prior to the release thereof, other than with respect to any confidential information contained in such disclosure or filing), and, if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. Z-Tech and Inflazyme agree to jointly issue a press release with respect to this Agreement as soon as practicable following execution of this Agreement, in a form acceptable to both parties.

8.7 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein. For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of British Columbia and the courts of the Province of British Columbia will have jurisdiction to entertain any action arising under this Agreement. Each party hereby attorns to the jurisdiction of the courts of the Province of British Columbia.

8.8 **Entire Agreement**

This Agreement together with the Confidentiality Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior agreements and understandings between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement and the Confidentiality Agreement.

8.9 Third Party Beneficiaries

This Agreement is not intended to confer any rights or remedies upon any other person provided however that; (i) Section 4.9 is intended for the benefit of the directors and officers of Inflazyme or its subsidiaries and Section 8.16(b) is intended for the benefit of the directors, officers and employees of Inflazyme and such sections will be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Inflazyme Beneficiaries**") and Inflazyme and any successors to Inflazyme will hold the rights and benefits of Sections 4.9 and 8.16 and this Section 8.9 in trust for and on behalf of the Inflazyme Beneficiaries and Inflazyme hereby accepts such trust and agrees to hold the benefit of and enforce performances of such covenants on behalf of the Inflazyme Beneficiaries and such rights are in addition to, and not in substitution for, any other rights that any Inflazyme Beneficiary may have by contract or otherwise; and (ii) Section 8.16(a) is intended for the benefit of the directors, officers and employees of Z-Tech and such section shall be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Z-Tech Beneficiaries**") and Z-Tech and any successors to Z-Tech shall hold the rights and benefits of Section 8.16 and this Section 8.9 in trust for and on behalf of the Z-Tech Beneficiaries and Z-Tech hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Z-Tech Beneficiaries and such rights are in addition to, and not in substitution for, any other rights that any Z-Tech Beneficiary may have by contract or otherwise.

8.10 Amendment

Subject to any requirements imposed by applicable Laws or by the Court, this Agreement may, at any time and from time to time before or after the holding of the Inflazyme Meeting or the Z-Tech Meeting, whichever is later, but not later than the Effective Time, be amended by written agreement of the parties, and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties;

(b) waive any inaccuracies or modify any representation, term or provision contained herein or in any document delivered pursuant hereto; or

(c) waive compliance with or modify any of the conditions precedent referred to in Article 7 or any of the covenants herein contained or waive or modify performance of any of the obligations of the parties,

provided, however, that no such amendment may reduce or materially affect the consideration to be received by the Inflazyme Securityholders or the Z-Tech Securityholders under the Arrangement without their approval at the Inflazyme Meeting or the Z-Tech Meeting, as the case may be, or, following the Inflazyme Meeting or the Z-Tech Meeting, as the case may be, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court.

If there is a conflict between the Plan of Arrangement and this Agreement, the terms of this Agreement shall govern. Notwithstanding the foregoing, the Plan of Arrangement may only be supplemented or amended in accordance with the provisions thereof.

It is further acknowledged that the provisions of the Plan of Arrangement relating to the conversion of Z-Tech Debentures and Z-Tech Preferred Shares into Z-Tech Common Shares may be amended by Z-Tech only, in its sole discretion.

8.11 Waiver and Modifications

Inflazyme, on the one hand, and Z-Tech, on the other hand, may (i) waive, in whole or in part, any inaccuracy of, or consent to the modification of, any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto, (ii) extend the time for the performance of any of the obligations or acts of the other party, (iii) waive or consent to the modification of any of the covenants herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other hereto or (iv) waive the fulfillment of any condition to its own obligations contained herein. No waiver or consent to the modifications of any of the provisions of this Agreement, will be effective or binding unless made in writing and signed by the party or parties purporting to give the same and, unless otherwise provided, will be limited to the specific breach or condition waived. The rights and remedies of the parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects any further exercise of such right or remedy or the exercise of any other right or remedy to which that party may be entitled No waiver or partial waiver of any nature, in any one or more instances, will be deemed or construed a continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

8.12 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated herein is not affected in any manner Materially Adverse to any party. Upon such determination that any provision is illegal or unenforceable, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the Arrangement is consummated as originally contemplated to the greatest extent possible.

8.13 **Mutual Interest**

Notwithstanding the fact that any part of this Agreement has been drafted or prepared by or on behalf of one of the parties, all parties confirm that they and their respective counsel have reviewed and negotiated this Agreement and that the parties have adopted this Agreement as the joint agreement and understanding of the parties, and the language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and the parties hereto waive the application of any Laws or rule or construction providing that ambiguities in any agreement or other document will be construed against the party drafting such agreement or other document and agree that no rule of construction providing that a provision is to be interpreted in favour of the person who contracted the obligation and against the person who stipulated it will be applied against any party.

8.14 **Further Assurances**

Subject to the conditions of this Agreement, the parties will, from time to time do all acts and things and execute and deliver all such further documents and instruments, as the other party may, either before or after the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and, in the event the Arrangement becomes effective, to document or evidence any of the transactions or events set out in the Plan of Arrangement.

8.15 **Injunctive Relief**

The Parties agree that irreparable harm would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached for which money damages would not be an adequate remedy at law. It is accordingly agreed that the Parties will be entitled to an injunction or injunctions and other equitable relief to prevent breaches of this Agreement, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

8.16 **No Personal Liability**

(a) No director, officer or employee of Z-Tech will have any personal liability to Inflazyme under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of Z-Tech, provided that such individual has acted in good faith and without intentional misrepresentation.

(b) No director, officer or employee of Inflazyme will have any personal liability to Z-Tech under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of Inflazyme, provided that such individual has acted in good faith and without intentional misrepresentation.

8.17 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

8.18 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement.

Z-TECH (CANADA) INC.

Per: *"Steven L. Nakashige"*

c/s

Per: ____________________

INFLAZYME PHARMACEUTICALS LTD.

Per: *"Michael Liggett"*

c/s

Per: ____________________

6904211 CANADA INC.

Per: *"Brian Fielding"*

c/s

Per: *"Michael Liggett"*

SCHEDULE A

APPROPRIATE REGULATORY APPROVALS

- Approvals of the Canadian Securities Administrators as required.
- Approvals of NEX as required.

SCHEDULE B

FORM OF ARRANGEMENT RESOLUTION

INFLAZYME

BE IT RESOLVED THAT:

2. The arrangement (the "**Arrangement**") under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the "**BCA**") involving Inflazyme Pharmaceuticals Ltd. ("**Inflazyme**"), 6904211 Canada Inc. ("**Newco**") and Z-Tech (Canada) Inc. ("**Z-Tech**"), as more particularly described and set forth in the Joint Management Proxy Circular of Inflazyme and Z-Tech dated February •, 2008 sent to Inflazyme securityholders in connection with the Arrangement (the "**Circular**") and accompanying the notice of this meeting, (as the Arrangement may be modified or amended) is hereby authorized, approved and adopted.

3. The plan of arrangement (the "**Plan of Arrangement**") involving Inflazyme, the full text of which is set out as Appendix • to the Circular, is hereby approved and adopted.

4. Notwithstanding that this special resolution has been passed (and the Arrangement adopted) by the Inflazyme securityholders or that the Arrangement has been approved by the Supreme Court of British Columbia, the board of directors of Inflazyme is hereby authorized and empowered (i) to amend the arrangement agreement between Inflazyme, Newco and Z-Tech dated January 15, 2008 (the "**Arrangement Agreement**") or the Plan of Arrangement to the extent permitted by the Arrangement Agreement, and (ii) not to proceed with the Arrangement without further approval of the Inflazyme securityholders.

5. Any one officer or director of Inflazyme is hereby authorized and directed, for and on behalf of Inflazyme, to execute, under the seal of Inflazyme or otherwise, and to provide to the Registrar of Companies the records and information under Section 292(a) of the BCA and file the records under Sections 292(a) and 292(b) of the BCA that the Registrar requires to give effect to any provision of the Arrangement.

6. Any one officer or director of Inflazyme is hereby authorized and directed, for and on behalf of Inflazyme, to execute or cause to be executed, under the seal of Inflazyme or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing special resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

Z-TECH

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the "**BCA**") involving Inflazyme Pharmaceuticals Ltd. ("**Inflazyme**"), 6904211 Canada Inc. ("**Newco**") and Z-Tech (Canada) Inc. ("**Z-Tech**"), as more particularly described and set forth in the Joint Management Proxy Circular of Inflazyme and Z-Tech dated February •, 2008 sent to Z-Tech securityholders in connection with the Arrangement (the "**Circular**") and accompanying the notice of this meeting, (as the Arrangement may be modified or amended) is hereby authorized, approved and adopted.

2. The plan of arrangement (the "**Plan of Arrangement**") involving Z-Tech, the full text of which is set out as Appendix • to the Circular, is hereby approved and adopted.

3. Notwithstanding that this special resolution has been passed (and the Arrangement adopted) by the Z-Tech securityholders or that the Arrangement has been approved by the Supreme Court of British Columbia, the board of directors of Z-Tech is hereby authorized and empowered (i) to amend the arrangement agreement between Inflazyme, Newco and Z-Tech dated January 15, 2008 (the "**Arrangement Agreement**") or the Plan of Arrangement to the extent permitted by the Arrangement Agreement, and (ii) not to proceed with the Arrangement without further approval of the Z-Tech securityholders.

4. Any one officer or director of Z-Tech is hereby authorized and directed, for and on behalf of Z-Tech, to execute, under the seal of Z-Tech or otherwise, and to provide to the Registrar of Companies the records and information under Section 292(a) of the BCA and file the records under Sections 292(a) and 292(b) of the BCA that the Registrar requires to give effect to any provision of the Arrangement.

5. Any one officer or director of Z-Tech is hereby authorized and directed, for and on behalf of Z-Tech, to execute or cause to be executed, under the seal of Z-Tech or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing special resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C

FORM OF PLAN OF ARRANGEMENT

Execution copy

FORM OF PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

(a) "**Arrangement**" means an arrangement under the provisions of Division 5 of Part 9 of the BCBCA, on the terms and conditions set forth in this Plan of Arrangement and any amendment, variation or supplement thereto made (i) in accordance with Section 8.10 of the Arrangement Agreement, (ii) in accordance with Article 6, or (iii) at the direction of the Court in the Final Order;

(b) "**Arrangement Agreement**" means the agreement made as of January 15, 2008 among Z-Tech, Inflazyme and Newco, as the same may be supplemented or amended from time to time;

(c) "**Arrangement Expenses**" means all costs and expenses incurred in connection with the transactions contemplated by the Arrangement Agreement, including all legal, accounting, financial advisory, printing and other administrative or professional fees, costs and expenses of third parties incurred by Inflazyme, including the negotiation and settlement of the Arrangement Agreement, the preparation and mailing of the Information Circular, the convening of the Inflazyme Meeting, the solicitation of proxies in respect of the Inflazyme Meeting and structuring and completion of the transactions contemplated by the Arrangement Agreement;

(d) "**Arrangement Resolution**" means the resolution of the Inflazyme Securityholders approving the Arrangement in accordance with Section 289 of the BCBCA;

(e) "**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002, c.57 including all regulations made thereunder, as amended;

(f) "**Business Day**" means any day on which commercial banks are generally open for business in Toronto and Vancouver, other than a Saturday or a Sunday or a day observed as a holiday in Vancouver under the laws of the Province of British Columbia, in Toronto under the laws of the Province of Ontario, or the federal laws of Canada applicable therein;

(g) **“CBCA”** means the Canada Business Corporations Act, including all regulations made thereunder, as amended;

(h) “**Court**” means the Supreme Court of British Columbia;

(i) “**Depositary**” means Computershare Investor Services Inc., the appointed depositary in respect of the Arrangement at its principal transfer office in Vancouver, British Columbia;

(j) “**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in Article 5;

(k) “**Dissenting Shares**” means the Inflazyme Shares, Z-Tech Common Shares or Z-Tech Preferred Shares, as the case may be, held by Dissenting Shareholders;

(l) “**Dissenting Shareholders**” means Inflazyme Shareholders or Z-Tech Shareholders, as the case may be, who have duly and validly exercised their Dissent Rights in strict compliance with the Dissent Rights and such Dissent Rights have not terminated;

(m) “**Effective Date**” means the date upon which all of the conditions to the completion of the Arrangement as set out in Article 7 of the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement and all documents agreed to be delivered thereunder have been delivered to the satisfaction of the parties thereto, acting reasonably, or such other date as the parties to the Arrangement Agreement may agree;

(n) “**Effective Time**” means 1:00 p.m. (Vancouver time) on the Effective Date;

(o) “**Final Order**” means the order of the Court approving the Arrangement under Section 291 of the BCBCA as such order may be affirmed, amended or modified by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal;

(p) “**Financing**” means the offering of securities of Z-Tech to investors with minimum gross proceeds to Z-Tech of $10,000,000 (which gross proceeds are not obtained from current shareholders or institutional affiliates of shareholders of Z-Tech) at a price per security and on such other terms as may be acceptable to the board of directors of Z-Tech in their sole discretion;

(q) “**Free Cash**” means, on the earlier of January 31, 2008 and the Effective Date, the amount of cash held by Inflazyme and cash equivalents of current assets that can be converted into cash within 90 days without further action of Z-Tech, Newco or Inflazyme, less (a) all liabilities (including contingent liabilities) and (b) future commitments, including, but not limited to, commitments for severance costs, Arrangement Expenses less $15,000, and an amount equal to 50% of ongoing lease obligations;

(r) “**Inflazyme**” means Inflazyme Pharmaceuticals Ltd., a company incorporated under the BCBCA;

(s) “**Inflazyme Meeting**” means the special meeting of the Inflazyme Securityholders, including any adjournment or postponement thereof, to be called in accordance with the Interim Order for the purpose of considering the Arrangement Resolution;

(t) “**Inflazyme Optionholder**” means a holder of Inflazyme Options;

(u) “**Inflazyme Options**” means the options to acquire Inflazyme Shares granted under the Inflazyme Stock Option Plan;

(v) “**Inflazyme Securityholders**” at any time means the Inflazyme Shareholders and Inflazyme Optionholders at that time;

(w) “**Inflazyme Shareholders**” means the holders of Inflazyme Shares;

(x) “**Inflazyme Shares**” means the issued and outstanding common shares in the capital of Inflazyme, from time to time;

(y) “**Inflazyme Stock Option Plan**” means the Stock Option Plan of Inflazyme, as amended;

(z) “**Information Circular**” means the joint management proxy circular relating to the Inflazyme Meeting and the Z-Tech Meeting in connection with, among other things, the transactions contemplated in this Plan of Arrangement;

(aa) “**Interim Order**” means the interim order of the Court providing for, among other things, the calling and holding of the Inflazyme Meeting and the calling and holding of the Z-Tech Meeting, as such order may be amended, modified, supplemented or varied by the Court;

(bb) “**Letter of Transmittal**” means the letter of transmittal enclosed with the Information Circular pursuant to which an Inflazyme Shareholder or a Z-Tech Securityholder is required to surrender certificates representing Inflazyme Shares or Z-Tech Class A Shares, Z-Tech Class B Shares or Z-Tech Shares, as the case may be, in order to receive, upon completion of the Arrangement, Newco Shares issued pursuant to the Arrangement;

(cc) “**Liens**” means any mortgage, hypothec, prior claim, lien, pledge, assignment for security, security interest, lease, option, right or third parties or other charge or encumbrance, including the lien of retained title of a conditional vendor, and any easement, servitude, right-of-way or other encumbrance on title to real or immovable property or personal or movable property;

(dd) “**Newco**” means 6904211 Canada Inc., a company incorporated under the CBCA;

(ee) “**Newco Options**” means options to acquire Newco Shares;

(ff) “**Newco Shares**” means the common shares in the capital of Newco to be issued under the Arrangement in accordance with the Plan of Arrangement;

(gg) “**Newco Warrants**” means warrants of Newco to acquire Newco Common Shares;

(hh) “**Notice of Dissent**” means a notice of dissent duly and validly given by an Inflazyme Shareholder or Z-Tech Shareholder exercising Dissent Rights as contemplated in the Interim Order and as described in Article 5;

(ii) “**Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions means this plan of arrangement, including any appendices hereto, and any amendments, variations or supplements hereto made from time to time in accordance with the terms hereof, the Arrangement Agreement or made at the direction of the Court in the Final Order;

(jj) “**Transfer Agent and Registrar**” means Computershare Investor Services Inc.;

(kk) “**Z-Tech**” means Z-Tech (Canada) Inc., a corporation incorporated under the laws of the Province of Ontario;

(ll) “**Z-Tech A Warrants**” means the outstanding warrants of Z-Tech to acquire Z-Tech Class A Shares;

(mm) “**Z-Tech B Warrants**” means the outstanding warrants of Z-Tech to acquire Z-Tech Class B Shares;

(nn) “**Z-Tech Class A Shares**” means the issued and outstanding class A preference shares in the capital of Z-Tech from time to time;

(oo) “**Z-Tech Class B Shares**” means the issued and outstanding class B preference shares in the capital of Z-Tech from time to time;

(pp) “**Z-Tech Common Shares**” means the issued and outstanding common shares in the capital of Z-Tech from time to time;

(qq) “**Z-Tech Debentures**” means the following debentures of Z-Tech:

(i) convertible debenture dated January 31, 2007, in the aggregate principal amount of $3,101,448, registered in the name of The VenGrowth II Investment Fund Inc.;

(ii) convertible debenture dated January 31, 2007, in the aggregate principal amount of $2,898,552, registered in the name of The VenGrowth Advanced Life Sciences Fund Inc.; and

(iii) such other debentures or other evidences of indebtedness as may be issued by Z-Tech prior to the Effective Date;

(rr) "**Z-Tech Meeting**" means the special meeting of the Z-Tech Securityholders, including any adjournment or postponement thereof, to be called in accordance with the Interim Order for the purpose of considering the Arrangement;

(ss) "**Z-Tech Options**" means the options to acquire Z-Tech Shares granted under Z-Tech's stock option plan;

(tt) "**Z-Tech Preferred Shares**" means the Z-Tech Class A Shares and the Z-Tech Class B Shares;

(uu) "**Z-Tech Security**" means the securities of Z-Tech issued in connection with the Financing;

(vv) "**Z-Tech Securityholders**" means the holders of Z-Tech Shares, Z-Tech Debentures, Z-Tech Options and Z-Tech Warrants;

(ww) "**Z-Tech Shareholders**" means the holders of Z-Tech Shares;

(xx) "**Z-Tech Shares**" means the Z-Tech Common Shares and the Z-Tech Preferred Shares; and

(yy) "**Z-Tech Warrants**" means the Z-Tech A Warrants and the Z-Tech B Warrants.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article", "Section" or "paragraph" followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement.

1.3 Extended Meanings

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa. Words importing gender include all genders. "Person" includes any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association. The term "including" means "including without limiting the generality of the foregoing".

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time (Vancouver, British Columbia) unless otherwise stipulated herein or therein.

1.6 Statutory References

References in this Plan to any statute or sections thereof will include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

ARTICLE 2
EFFECT OF THE ARRANGEMENT

2.1 At the Effective Time, the Arrangement shall be binding upon Inflazyme, the Inflazyme Shareholders, the Inflazyme Optionholders, Z-Tech, the Z-Tech Securityholders and Newco.

ARTICLE 3
ARRANGEMENT

3.1 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur at the times set out below, in each case without any further authorization, act or formality.

At the Effective Time:

(a) Inflazyme Shareholders will transfer their Inflazyme Shares to Newco in exchange for the issuance by Newco of Newco Shares, where one Inflazyme Share will be exchanged for a number of Newco Shares equal to:

$$\frac{[V\text{-}FCD+PRR]/\text{Z-Tech Security Sale Price}}{OS}$$

Where:

“**V**” means $4,500,000;

“**FCD**” means $3,000,000 less the Free Cash;

“**PRR**” means proceeds realized by Inflazyme on any reorganization or sale of assets prior to the Effective Date plus an amount equal to 50% of any reduction in Inflazyme’s facility lease commitment achieved prior to the Effective Date;

"**Z-Tech Security Sale Price**" means the per security price at which a Z-Tech Security is sold in the Financing; and

"**OS**" means the number of Inflazyme Shares issued and outstanding as at the Effective Date.

(b) With respect to each Inflazyme Share:

(i) the holder thereof will cease to be the holder of such Inflazyme Share;

(ii) the holder's name will be removed from the central securities register with respect to such Inflazyme Shares; and

(iii) legal and beneficial title to such Inflazyme Share will vest in Newco and Newco will be and be deemed to be the transferee and legal and beneficial owner of all Inflazyme Shares (free and clear of any Liens) and will be entered in the central securities register as the sole holder thereof and the former holder and beneficial owner of such Inflazyme Share will cease to have any rights as a shareholder in respect of such Inflazyme Share.

(c) Holders of Inflazyme Options will transfer their Inflazyme Options to Newco in exchange for the issuance by Newco of Newco Options on the following basis:

(i) Inflazyme Options will be converted into Newco Options where one Inflazyme Option will be converted into a number of Newco Options equal to:

$$\frac{[V\text{-}FCD+PRR]/\text{Z-Tech Security Sale Price}}{OS}$$ (the "**Conversion Ratio**")

(ii) with a new exercise price for the resulting Newco Options calculated on the following basis:

$$\frac{\text{exercise price of Inflazyme Option}}{\text{Conversion Ratio}}$$

(d) With respect to each Inflazyme Option, the holder thereof will cease to be the holder of such Inflazyme Option, will cease to have any rights as a holder in respect of such Inflazyme Option or under the Inflazyme Stock Option Plan, and such holder's name will be removed from the register of Inflazyme Options with respect to such Inflazyme Options. The term to expiry, conditions to and manner of exercising, vesting schedule and all other terms and conditions of each Newco Option will otherwise be the same as the terms and conditions of the corresponding Inflazyme Option.

(e) The Inflazyme Stock Option Plan will be cancelled.

(f) The holders of Z-Tech Debentures will convert such debentures into Z-Tech Common Shares, Z-Tech Class A Shares or Z-Tech Class B Shares, as applicable.

(g) Holders of Z-Tech Shares will transfer their Z-Tech Shares to Newco in exchange for the issuance by Newco of Newco Shares on a one-for-one basis.

(h) Holders of Z-Tech Class A Shares will transfer their Z-Tech Class A Shares to Newco in exchange for the issuance by Newco of Newco Shares such that one Z-Tech Class A Share will entitle the holder thereof to receive 1.2579 Newco Shares.

(i) Holders of Z-Tech Class B Shares will transfer their Z-Tech Class B Shares to Newco in exchange for the issuance by Newco of Newco Shares such that one Z-Tech Class B Share will entitle the holder thereof to receive 0.9434 Newco Shares.

(j) With respect to each Z-Tech Share and Z-Tech Preferred Share:

(i) the holder thereof will cease to be the holder of such Z-Tech Share or Z-Tech Preferred Share;

(ii) the holder's name will be removed from the central securities register with respect to such Z-Tech Shares and Z-Tech Preferred Shares; and

(iii) legal and beneficial title to such Z-Tech Shares and Z-Tech Preferred Shares will vest in Newco and Newco will be and be deemed to be the transferee and legal and beneficial owner of all Z-Tech Shares and Z-Tech Preferred Shares (free and clear of any Liens) and will be entered in the central securities register as the sole holder thereof and the former holder and beneficial owner of such Z-Tech Shares and Z-Tech Preferred Shares will cease to have any rights as a shareholder in respect of such Z-Tech Shares and Z-Tech Preferred Shares.

(k) Holders of Z-Tech Options will transfer their Z-Tech Options to Newco in exchange for the issuance by Newco of Newco Options on a one-for-one basis.

(l) With respect to each Z-Tech Option, the holder thereof will cease to be the holder of such Z-Tech Option, will cease to have any rights as a holder in respect of such Z-Tech Option or under the stock option plan of Z-Tech, and such holder's name will be removed from the register of Z-Tech Options with respect to such Z-Tech Options. The term to expiry, conditions to and manner of exercising, vesting schedule and all other terms and conditions of each Newco Option will otherwise be the same as the terms and conditions of the corresponding Z-Tech Option.

(m) The stock option plan of Z-Tech will be cancelled.

(n) Holders of Z-Tech A Warrants will transfer their Z-Tech A Warrants to Newco in exchange for the issuance by Newco of Newco Warrants such that each Z-Tech A

Warrant will entitle the holder thereof to acquire 1.2579 Newco Warrants which will enable it to acquire one Newco Share at an exercise price of $0.795 per Newco Share upon due exercise and otherwise on the same terms and conditions as the Z-Tech Warrants.

(o) Holders of Z-Tech B Warrants will transfer their Z-Tech B Warrants to Newco in exchange for the issuance by Newco of Newco Warrants such that each Z-Tech B Warrant will entitle the holder thereof to acquire one Newco Warrant which will enable it to acquire one Newco Share at an exercise price of $1.06 per Newco Share upon due exercise and otherwise on the same terms and conditions as the Z-Tech B Warrants.

(p) Inflazyme will surrender to Newco, for cancellation, the initial Newco Share that was issued to Inflazyme upon the incorporation of Newco, without consideration.

(q) The Articles of Newco will be amended to change its name to "Z-Tech Medical Corp."

ARTICLE 4
OUTSTANDING SECURITIES

4.1 Outstanding Certificates

From and after the Effective Date, certificates representing the Inflazyme Shares, Inflazyme Options, Z-Tech Shares, Z-Tech Options, Z-Tech Preferred Shares and Z-Tech Warrants prior to the Arrangement will, thereafter represent only the right to receive the certificates representing either Newco Shares, Newco Options or Newco, Warrants as applicable, that such holder is entitled to receive pursuant to Section 3.1 and any distributions accruing to the holder of such securities, upon the holder depositing with the Depositary the certificates duly endorsed for transfer and accompanied by such other documents as such Depositary may reasonably require, subject to compliance with the requirements set forth in this Article 4.

4.2 Newco Shares and Securities

(a) As soon as practicable following the Effective Time, Newco shall cause to be delivered for the benefit of the Inflazyme Shareholders, and Z-Tech Securityholders, certificates representing, in the aggregate, the Newco Shares and Newco Warrants to which such holders are entitled pursuant to Section 3.1. Newco will, as soon as practicable following the later of the Effective Date and the date of deposit (by a former holder of Inflazyme Shares, Z-Tech Shares, Z-Tech Preferred Shares or Z-Tech Warrants exchanged under the Arrangement) of a duly completed Letter of Transmittal and the certificates representing such Inflazyme Shares, Z-Tech Shares or Z-Tech Preferred Shares, either:

(i) forward or cause to be forwarded by first class mail (postage prepaid) (or, in the case of postal disruption, by such other means as the Depositary may deem prudent) to such former holder at the address specified in the Letter of Transmittal; or

(ii) if requested by such holder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such holder;

certificates representing the number of Newco Shares or Newco Warrants issued to such holder under the Arrangement.

(b) All distributions made with respect to any Newco Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued will be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. All monies received by the Depositary will be invested by it in trust accounts upon such terms as the Depositary may reasonably deem appropriate. The Depositary will pay and deliver to any such registered holder, as soon as reasonably practicable after application therefore is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such distributions to which such holder is entitled, net of applicable withholding and other taxes.

(c) Where a certificate formerly representing Inflazyme Shares, Z-Tech Shares, Z-Tech Preferred Shares or Z-Tech Warrants is not deposited with all other documents as provided for in Section 4.2(a) on or prior to the sixth anniversary date of the Effective Time, it will cease to represent a right or claim of any kind or nature. Thereafter, the Newco Shares or Newco Warrants to be exchanged with the former holder of such certificate will be deemed to be surrendered to Newco together with all distributions and sale proceeds thereon held for such holder.

(d) If any certificate which immediately prior to the Effective Time represented an interest in outstanding Inflazyme Shares, Z-Tech Shares, Z-Tech Preferred Shares or Z-Tech Warrants that were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Transfer Agent and Registrar will issue and the Depositary will deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any distributions with respect thereto) as determined in accordance with the Arrangement. The person who is entitled to receive such consideration will, as a condition precedent to the receipt thereof, give a bond to each of Newco and its Depositary, which bond is in form and substance satisfactory to each of Newco and the Depositary, or will otherwise indemnify Newco and its Depositary against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Fractional Securities

No fractional Newco Common Shares or Newco Warrants will be issued pursuant to the Arrangement. Each fraction of a Newco Common Share or Newco Warrant equal to or greater than 0.5 of a security will be rounded up to the next whole Newco Common Share or Newco

Warrant, as the case may be, and each fraction of a Newco security less than 0.5 will be rounded down to the next whole Newco Common Share or Newco Warrant, as the case may be.

ARTICLE 5
DISSENT RIGHTS

5.1 Rights of Dissent

Pursuant to the Interim Order, each Inflazyme Shareholder and Z-Tech Shareholder may exercise rights of dissent ("**Dissent Rights**") under Division 2 of Part 8 of the BCBCA as modified by this Article 5 as the same may be modified by the Interim Order or the Final Order in respect of the Arrangement. Inflazyme Shareholders and Z-Tech Shareholders who duly exercise such rights of dissent and who:

(a) are ultimately entitled to be paid fair value for their Inflazyme Shares or Z-Tech Shares, as the case may be, shall be deemed to have transferred such Inflazyme Shares or Z-Tech Shares, as the case may be, to Newco on the Effective Date simultaneously with the transactions described in Section 3.1(a) without any further act or formality and free and clear of all liens, claims and encumbrances, with Newco being obligated to pay such Inflazyme Shareholders or Z-Tech Shareholders, as the case may be, in consideration therefor the fair value of such Inflazyme Shares or Z-Tech Shares, as the case may be, which fair value, notwithstanding anything to the contrary in the BCBCA, if permitted by the Court, shall be determined as of the close of business on the day before the special resolution of Inflazyme Securityholders or Z-Tech Securityholders, as the case may be, approving this Plan of Arrangement is adopted, and the name of each such Inflazyme Shareholder or Z-Tech Shareholder, as the case may be, will be removed from the register of holders of Inflazyme Shares or Z-Tech Shares, as the case may be, and Newco will be recorded as the registered holder of the Inflazyme Shares or Z-Tech Shares, as the case may be, so transferred and will be deemed to be the legal and beneficial owner of such Inflazyme Shares or Z-Tech Shares, as the case may be, free and clear of any liens, claims or encumbrances; or

(b) for any reason are ultimately not entitled to be paid fair value for their Inflazyme Shares or Z-Tech Shares, as the case may be, shall be deemed to have participated in the Arrangement on the same basis as any non-dissenting Inflazyme Shareholder or Z-Tech Shareholder, as the case may be, as at and from the Effective Time, and shall be deemed to have transferred their Inflazyme Shares or Z-Tech Shares, as the case may be, to Newco in exchange for Newco Shares under Section 3.1(a), but in no case shall Inflazyme, Z-Tech, Newco or any other person be required to recognize such Inflazyme Shareholders or Z-Tech Shareholders as holders of Inflazyme Shares or Z-Tech Shares, as the case may be, after the time set out in Section 3.1, and the names of such Inflazyme Shareholders or Z-Tech Shareholders, as the case may be, shall be deleted from the register of Inflazyme Shareholders or Z-Tech Shareholders, as the case may be, at the time set out in Section 3.1.

ARTICLE 6
AMENDMENTS

6.1 Amendments

(a) Subject to Section 6.1(c), Inflazyme, Z-Tech and Newco reserve the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is:

(i) agreed to by all such parties;

(ii) filed with the Court and approved by the Court; and

(iii) communicated to Inflazyme Securityholders or Z-Tech Securityholders, as the case may be, in the manner required by the Court (if so required).

(b) Subject to Section 6.1(c), any amendment, modification or supplement to this Plan of Arrangement which is approved by the Court will be effective only:

(i) if it is consented to by Inflazyme and Z-Tech; and

(ii) if required by the Court or applicable law, it is consented to by the Inflazyme Securityholders or Z-Tech Securityholders, as the case may be,.

(c) It is acknowledged and agreed by the parties hereto that the provisions of the Plan of Arrangement relating to the conversion of Z-Tech's convertible debentures, notes and Z-Tech Preferred Shares into Z-Tech Common Shares shall be amended by Z-Tech only, in its sole discretion.

(d) Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

ARTICLE 7
GENERAL

7.1 General

(a) Any director or officer of Inflazyme is hereby authorized to execute and deliver all documents and do all such other acts and things necessary or desirable to give effect to this Arrangement.

(b) The directors of Inflazyme or Z-Tech, as the case may be, are hereby authorized, if they deem appropriate in their sole discretion, to revoke this Plan of Arrangement and to not proceed with the Arrangement without further approval of the Inflazyme Securityholders or Z-Tech Securityholders.

SCHEDULE D

INDEMNIFICATION PROVISIONS

1. From and after the Effective Time, Z-Tech and Inflazyme, jointly and severally, will, and Z-Tech will cause Inflazyme and any successor (including any Surviving Corporation) to, indemnify and hold harmless to the fullest extent permitted under the corporate law of its jurisdiction of incorporation, continuance or amalgamation, each Indemnified Party against any costs and expenses (including reasonable legal fees), judgments, fines, losses, claims and damages and liabilities, and amounts paid in settlement thereof with the consent of the indemnifying party (such consent not to be unreasonably withheld), in connection with any actual or threatened claim, action, suit, proceeding or investigation that is based on, or arises out of, the fact that such person is or was a director or officer of Inflazyme, or any successor to Inflazyme (including any Surviving Corporation), or any subsidiary (including any successor thereto) thereof (including with respect to any of the transactions contemplated hereby or the Arrangement) or who is serving or who served at the request of Inflazyme, including any successor (including any Surviving Corporation) or any subsidiary thereof as a director or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, provided that such individual acted honestly and in good faith with a view to the best interests of the subject corporation. In the event of any such claim, action, suit, proceeding or investigation, Z-Tech will, and will cause Inflazyme and any successor to Inflazyme (including any Surviving Corporation) to, pay the reasonable fees and expenses of counsel in advance of the final disposition of any such claim, action, suit, proceedings or investigation to the fullest extent permitted by law subject to the limitations imposed by the corporate law of its jurisdiction of incorporation, continuance or amalgamation. Without limiting the foregoing, in the event any such claim, action, suit, proceeding or investigation is brought against any Indemnified Party, (i) the Indemnified Party may retain counsel reasonably satisfactory to Z-Tech and, subject to limitations imposed by the corporate law of its jurisdiction of incorporation, continuance or amalgamation, Z-Tech will (and will cause Inflazyme, or any successor (including any Surviving Corporation), to) pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received and (ii) Inflazyme and Z-Tech will use all reasonable efforts to assist in the defence of such matter; provided, however, that neither Inflazyme nor Z-Tech will be liable for any settlement effected without its prior written consent which will not be unreasonably withheld. Any Indemnified Party wishing to claim indemnification hereunder, upon learning of any such claim, action, suit, proceeding or investigation, will notify Z-Tech (but the failure of such notification to be given will not relieve a party from any liability which it may have hereunder unless such failure results in actual prejudice to such party and then only to the extent of such prejudice). The Indemnified Parties as a group may retain only one law firm in each applicable jurisdiction to represent them with respect to each such matter unless such counsel determines that there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties, in which event additional counsel may be retained by the Indemnified Parties.

2. Subject to limitations imposed by the corporate laws of its jurisdiction of incorporation, continuance or amalgamation, provided the Arrangement becomes effective, Z-Tech will

(and will cause Inflazyme, or any successor to Inflazyme (including any Surviving Corporation), to) pay all expenses, including reasonable legal fees, as the same may be incurred by any Indemnified Party in any action by any Indemnified Party or parties seeking to enforce the indemnity or other obligations provided for herein; provided, however, that Z-Tech and Inflazyme, or any successor to Inflazyme (including any Surviving Corporation), will be entitled to reimbursement for any advances made hereunder to any Indemnified Party who ultimately proves unsuccessful in enforcing the indemnity as finally determined by a non-appealable judgement in a court of competent jurisdiction.